New INDIVIDUALIST Review

THE INTELLECTUAL AND THE MARKET PLACE

GEORGE J. STIGLER

OBSERVATIONS ON THE SOVIET "LOST GENERATION"

ROBERT M. HURT

CIVIL LIBERTIES IN THE WELFARE STATE

ROBERT SCHUCHMAN

A NEW TREATISE ON ECONOMICS

LUDWIG VON MISES

Vol. 2, No. 3 35 cents Autumn 1962

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

NEW INDIVIDUALIST REVIEW

Volume 2 — Number 3 **AUTUMN 1962**

The Intellectual and the Market Place
3 GEORGE J. STIGLER

Observations on the Soviet "Lost Generation"
10 ROBERT M. HURT

Economic Growth vs. "Growth" Economics
18 JOHN VAN SICKLE

Civil Liberties in the Welfare State
24 ROBERT SCHUCHMAN

New Conservatives and Old Liberals
31 BENJAMIN A. ROGGE

The Great Fascist Sedition Trial
35 A SATIRE

BOOK REVIEWS

Rothbard's "Man, Economy, and State"
39 LUDWIG VON MISES

Meyer's "In Defense of Freedom"
43 JOHN WEICHER

New Books and Articles
46

NEW INDIVIDUALIST REVIEW is published quarterly (Spring, Summer, Autumn, Winter) by *New Individualist Review, Inc.*, at Ida Noyes Hall, University of Chicago, Chicago 37, Illinois.

Opinions expressed in signed articles do not necessarily represent the views of the editors. Editorial, advertising, and subscription correspondence and manuscripts should be sent to NEW INDIVIDUALIST REVIEW, Ida Noyes Hall, University of Chicago, Chicago 37, Illinois. All manuscripts become the property of NEW INDIVIDUALIST REVIEW.

Subscription rates: $2.00 per year (students $1.00).

Copyright 1962 by *New Individualist Review, Inc.*, Chicago, Illinois. All rights reserved. Republication of less than 200 words may be made without specific permission of the publisher, provided *New Individualist Review* is duly credited and two copies of the publication in which such material appears are forwarded to *New Individualist Review*.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

NEW
INDIVIDUALIST
REVIEW

EDITORIAL BOARD

Editors-in-Chief • Ronald Hamowy • Ralph Raico
Associate Editors • Robert M. Hurt • John P. McCarthy
Robert Schuettinger • John Weicher
Business Manager • Sam Peltzman
Editorial Assistants • Jameson Campaigne, Jr. • Joe Cobb
Burton Gray • Thomas Heagy • Jerome Heater
R. P. Johnson • Robert Michaels • James Powell
James Rosenholtz

EDITORIAL ADVISORS

Milton Friedman • Richard Weaver
University of Chicago
F. A. Hayek
University of Freiburg

COLLEGE AND UNIVERSITY REPRESENTATIVES

UNIVERSITY OF ALABAMA
Dianne Hastings

ANTIOCH COLLEGE
Frank Resnik

UNIVERSITY OF ARIZONA
Stephen Sala

BROOKLYN COLLEGE
Howard Seigel

BUTLER UNIVERSITY
Dean McEldowney

UNIVERSITY OF CALIFORNIA
(Riverside)
Jerry Lee Martin

CARLETON COLLEGE
W. W. Hand

CLAREMONT MEN'S COLLEGE
Robert Williams

COLUMBIA UNIVERSITY
John McCarthy

CENTRE COLLEGE OF
KENTUCKY
Robert B. Fisher

UNIVERSITY OF DETROIT
George McDonnell

EARLHAM COLLEGE
William Dennis

FORDHAM UNIVERSITY
Thomas J. Baker

GROVE CITY COLLEGE
A. Bruce Gillander

HARVARD UNIVERSITY
David Friedman

HUNTER COLLEGE
Eve Kirschner

UNIVERSITY OF IDAHO
Robert D. Brown

UNIVERSITY OF ILLINOIS
Bill Jacklin

UNIVERSITY OF INDIANA
Karl K. Pringle

STATE UNIVERSITY OF IOWA
Sarah Slavin

UNIVERSITY OF KANSAS
Larry F. Glaser

UNIVERSITY OF KENTUCKY
James G. Otto

KNOX COLLEGE
Kip Pencheff

LOYOLA UNIVERSITY
(Chicago)
William Ford

MANHATTAN COLLEGE
Stephen J. Kerins

NORTHWESTERN UNIVERSITY
S. Kent Steffke

OCCIDENTAL COLLEGE
Goetz Wolff

OREGON STATE UNIVERSITY
John Charles Neeley

PRINCETON UNIVERSITY
David Duval

PROVIDENCE COLLEGE
Raymond LaJeunesse

QUEENS COLLEGE
Robert J. Malito

QUINCY COLLEGE
John Lulves, Jr.

REGIS COLLEGE
Edwin J. Feulner, Jr.

STANFORD UNIVERSITY
Richard Noble

SYRACUSE UNIVERSITY
Irwin H. Rosenthal

TEXAS CHRISTIAN UNIVERSITY
Walter B. Thompson

TUFTS UNIVERSITY
William G. Nowlin, Jr.

UNIVERSITY OF VIRGINIA
Robert Stuart Redfield

WILLIAMS COLLEGE
Kenneth Griffith

UNIVERSITY OF WISCONSIN
Theodore Cormaney

YALE UNIVERSITY
Alan B. Magary

* * *

UNIVERSITY OF FRANKFURT
Werner Krebs

UNIVERSITY OF PARIS
Ronald Hamowy

OXFORD UNIVERSITY
Robert Schuettinger

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The Intellectual and the Market Place

GEORGE J. STIGLER

THE INTELLECTUAL has never felt kindly toward the market place; to him it has always been a place of vulgar men and of base motives. Whether this intellectual was an ancient Greek philosopher, who viewed economic life as an unpleasant necessity which should never be allowed to become obtrusive or dominant, or whether this intellectual is a modern man, who focuses his scorn on gadgets and Madison Avenue, the basic similarity of view has been pronounced.

Now you and I are intellectuals, as this word is used. I am one automatically because I am a professor, and buy more books than golf clubs. You are intellectuals because you are drawn from the most intelligent tenth of the population, most of you will go on to graduate school, and you would rather be a United States Senator or a Nobel Laureate than the head of the Great Atlantic and Pacific Tea Company. The question I wish to pose to us is not whether we should love the market place — even a professor of economics of outrageously conservative tendencies cannot bring himself to say that the chants of five auctioneers rival a Mozart quintet. The questions are rather: what don't we like about the market place; and, are we sure that our attitudes are socially useful?

Let us begin by noticing that from certain important viewpoints one would have expected the intellectuals to be very kindly disposed toward that system of private enterprise which I call the market place.

First, if I may introduce a practical consideration, intellectuals by and large have elevated tastes — they like to eat, dress, and live well, and especially to travel. Walton Hamilton once said that our customary salutation, "Good Day," was a vestige of an agricultural society where people were asking for good weather, and he expected city dwellers eventually to greet each other with the phrase, "Low Prices." If Hamilton's theory is correct, the intellectuals will come to the salutation, "Fair Fulbright."

Since intellectuals are not inexpensive, until the rise of the modern enterprise system no society could afford many intellectuals. As a wild guess, the full-time intellectuals numbered 200 in Athens in the extraordinary age of Pericles, or about one for every 1500 of population, and at most times in later history the intellectuals fell far, far short of this proportion. Today there are at least 1,000,000 in the United States, taking only a fraction of those who live by pen and tongue into account, or one for each 200 of population. At least four out of every five of us owe our pleasant lives to the great achievements of the market place. We professors are much more beholden to Henry Ford than to the foun-

George J. Stigler, Walgreen Professor of American Institutions at the University of Chicago, is President-elect of the American Economic Association. He is the author of numerous books on economic theory, including the well known text, *Theory of Price*, and is a contributor of numerous articles to professional journals. The above article is adapted from a speech given before a college audience.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

dation which bears his name and spreads his assets.

Not only have the productive achievements of the market place supported a much enlarged intellectual class, but also the leaders of the market place have personally been strong supporters of the intellectuals, and in particular those in the academic world. If one asks where, in the western university world, the freedom of inquiry of professors has been most staunchly defended and energetically promoted, my answer is this: Not in the politically controlled universities, whether in the United States or Germany — legislatures are not over-populated with tolerant men indifferent to popularity. Not in the self-perpetuating faculties, such as Oxford and Cambridge from 1700 to 1850—even intellectuals can become convinced that they have acquired ultimate truth, and that it can be preserved indefinitely by airing it before students once a year. No, inquiry has been most free in the college whose trustees are a group of top quality leaders of the market place — men who, our experience shows, are remarkably tolerant of almost everything except a mediocre and complacent faculty. Economics provides many examples: if a professor wishes to denounce aspects of big business, as I have, he will be wise to locate in a school whose trustees are big businessmen, and I have.

But debts are seldom the basis for friendship, and there is a much more powerful reason the intellectual might be sympathetic to the market place: the organizing principles of both areas are the same.

An enterprise system is a system of voluntary contract. Neither fraud nor coercion is within the ethics of the market system. Indeed there is no possibility of coercion in a pure enterprise system because the competition of rivals provides alternatives to every buyer or seller. All real economic systems contain some monopoly, and hence some coercive power for particular individuals, but the amount and the extent of such monopoly power are usually much exaggerated, and in any case monopoly is not an integral part of the logic of the system.

The intellectual world, and I speak chiefly but not exclusively of scholarship, is also a voluntary system. Its central credo is that opinions are to be formed through free discussion on the basis of full disclosure of evidence. Fraud and coercion are equally repugnant to the scholar. The freedom of thought is preserved by the open competition of scholars and ideas. Authority, the equivalent of monopoly power, is the great enemy of freedom of inquiry. Competition in scholarship is in some ways more violent than in business: the law sets limits on the disparagement of a rival's product, unless it is done in a book review in a learned journal.

Just as real markets have some fraud and monopoly which impair the claims for the market place, so the intellectual world has its instances of coercion and deception, with the coercion exercised by claques and fashion. But again these deviants are outside the logic of the system.

Both areas, moreover, are democratic. The intellectual believes that every able and willing young person should get a good education whatever his race or financial background. The market believes every able and willing person should be permitted to enter any industry or occupation, whatever his race or educational background. There is food for thought in the fact that racial discrimination has diminished earlier, faster, and more quietly in the market place than in political life.

The analogies could be pursued much farther, although not without danger of alienating all professors and most businessmen. I shall therefore merely mention, in passing, that both fields pay a fair amount of attention to packaging and advertising, and both fields place an absurdly high value on originality. There are also many minor differences, such as that the intellectual has no desire to know the market place, whereas the businessman wishes, or at least believes he wishes, to know the world of the intellectual. The basic fact is that the intellectual believes in the free market

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

in ideas and, what is not quite the same thing, in words.

Yet whatever the latent sympathies of the intellectual for the market place, the hostilities are overt. The contempt for the "profit motive" which directs economic activity is widespread, and the suspicion of the behavior to which it leads is deep-seated. The charge that American society is materialistic has been recited more often than the Declaration of Independence, and has been translated into more foreign languages.

In one basic respect I believe that the criticism by the intellectuals is misplaced, and at times even hypocritical. The American economy produces many goods that are vulgar, silly, or meretricious, as judged by standards which I share with many intellectuals. It seems only proper to cite a few examples, if only to show how selective these standards are. I shall not propose the currently most popular item, the large and powerful automobile, because I have observed that mostly intellectuals of short stature criticize our cars. But other examples are at hand. I am dissatisfied with the tastes of the nine-tenths of the population which believes that nonfictional books are to be read only by young people working for their B.A. I am dissatisfied with a population whose love for interesting music is so narrow that every symphony orchestra requires subsidies. I consider it shocking that more Americans have read *The Affluent Society* than *The Wealth of Nations*.

At the risk of appearing reasonable, I wish to qualify this complaint by observing that the tastes of the American public are more elevated than those of any other large society in history. Most societies have been judged by their cultural aristocracies — indeed in earlier periods the vast majority of the population was not even considered to be a part of the culture of the society, for this vast majority was illiterate, tradition-bound, with most people living brutishly in peasant huts. Our society's tastes are judged by those of the vast majority of the population, and this majority is generous, uncomplacent, and hard-working with unprecedentedly large numbers engaged in further self-education, or eagerly patronizing the arts. Our market-supported legitimate theatre, which is surely the best in the world, is a suggestive measure of popular tastes.

These qualifications are not intended to withdraw the charge that the public's tastes should be better, and for that matter, that the intellectual's tastes should be better. It is, in fact, a basic function of the intellectual to define the standards of good taste more clearly, and to persuade people to approach them more closely. It is proper to denounce vulgarity of taste, and to denounce it more strongly the more popular it is. It is permissible to reject certain desires completely — as we do when by compulsory education laws we reject the desire for illiteracy — although there is a strong presumption against the use of force in the area of tastes.

When I say that the complaints of deficiencies in tastes are misplaced when they are directed to the market place, I mean just that. The market place responds to the tastes of consumers with the goods and services that are salable, whether the tastes are elevated or depraved. It is unfair to criticize the market place for fulfilling these desires, when clearly the defects lie in the popular tastes themselves. I consider it a cowardly concession to a false extension of the idea of democracy to make *sub rosa* attacks on public tastes by denouncing the people who serve them. It is like blaming the waiters in restaurants for obesity.

To escape this response, the more sophisticated intellectuals have argued that people are told what to want by the market place—that advertising skillfully depraves and distorts popular desires. There is no doubt an element of truth in this response, but it is an element of trifling size. The advertising industry has no sovereign power to bend men's wills — we are not children who blindly follow the last announcer's instructions to rush to the store for soap. Moreover, advertising itself is a completely neutral instrument, and lends itself to the dissemination of highly contradictory de-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

sires. While the automobile industry tells us not to drink while driving, the bourbon industry tells us not to drive while drinking. The symphony orchestra advertises, and gets much free publicity, in its rivalry with the dance band. Our colleges use every form of advertising, and indeed the typical university catalogue would never stop Diogenes in his search for an honest man.

So I believe the intellectuals would gain in candor and in grace if they preached directly to the public instead of using advertising as a whipping boy. I believe they would gain also in virtue if they would examine their own tastes more critically: when a good comedian and a production of Hamlet are on rival channels, I wish I could be confident that less than half the professors were laughing.

The main indictment by the intellectual, however, is that the market place operates on the principle of self-interest, and in fact through competition compels even the philanthropic businessman to become self-serving. Self-interest, often described with such neutral words as egotism, greed, and dog-eat-dog, is viewed as a crass, antisocial element of man's character, and an economic system that rests upon, and inculcates, this motive achieves little admiration. In fact, a dislike for profit-seeking is one of the few specific attitudes shared by the major religions.

I also find naked selfishness an unendearing trait, but I have trouble in separating it from the more admirable motives related to it. A prudent regard for one's own survival is generally applauded even if the individual does not say, "I got out of the way of the oncoming train only to spare my Sunday School class pain." The violent endeavors of an athlete to defeat his rivals are much admired, providing the contest is more or less fair, even though the winner is expected not to say, "I am glad I won chiefly because I'm vain, but secondarily for the honor of Sheboygan High School."

Even in fields somewhat removed from the athletic arena, the roles of self-interest and what for lack of a better name I shall call benevolence are perplexingly interwoven. I have spent my life among college teachers, although admittedly in the most competitive branch of research and publication. In one sense the disinterest of my colleagues is beyond doubt: I have seen silly people — public officials as well as private, by the way — try to buy opinions, but I have not seen or even suspected any cases in which any important economist sold his professional convictions. It is also true that many of the best professors, and many of the worst, could earn more in other callings.

But on the other hand, the motives that drive them and me are not completely clear, either. When we strive to solve a scientific problem, is ambition for our own professional status completely overshadowed by our love of knowledge? I wonder. When we write an article to demonstrate the fallacies of someone else's work, is our hatred for error never mixed with a tiny bit of glee at the display of our own cleverness? I wonder.

To shift elsewhere, I have never encountered a political candidate who said, "I am running for office because I, with my dear wife and future administrative assistant, can earn more in politics than elsewhere." Nor do I expect to. But the language of public interest surely covers a good many acres of self-interest.

A major source of the view that the market place places special values on self-interest, beyond those more or less evident in all human behavior, is the belief that one man's gain is another's loss — that business, like the so-called friendly poker session, is a zero-sum game. Not so.

On the one hand, it must be recognized that the great source of market gains is the productivity of the participants. Unlike the poker game, the wealth of our society has been doubling even on a per capita basis every 25 years, and the doubling has been due to the labors and ingenuity of the men in the market place. Of course there are also incomes achieved by monopoly rather than by efficiency, by fraud rather than by output, but it would be a wholly

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

extravagant estimate that they amount to 10 per cent of the income of the market place. There is room for improvement here, but there is vastly more room to admire the prodigious production achievements of the market place.

On the other hand, I would emphasize that most of the gains from innovation in the market place are passed on to the community at large. A new idea may yield handsome profits for a time, but the rapid rush of competition soon drives the price of the product down to a modest level. Ball-point pens were first marketed at $12.50 to those penmen eager to write under water (and, judging by my experience, only under water); they rapidly fell in price and as you know are now so cheap that you have no economic excuse if you do not write the Great American Novel. Sears, Roebuck and Company and Montgomery Ward made a good deal of money in the process of improving our rural marketing structure, but I am convinced that they did more for the poor farmers of America than the sum total of the federal agricultural support programs of the last 28 years.

It is an interesting illustration of the great influence of the intellectual that the market place itself has become apologetic of its pursuit of profit. The captains of industry now list, in a world in which public relations are becoming as important as efficiency, among their major achievements the great number of bowling alleys or college fellowships they have given to their employees. To boast that large profits demonstrate great efficiency in producing existing products and introducing new ones is considered even by them to be too archaic a form of thought for public consumption. The patron saint of economics, Adam Smith, once wrote:

> I have never known much good done by those who affected to trade for the public good. It is an affectation, indeed, not very common among merchants, and very few words need be employed in dissuading them from it.

I wonder what those very few words were.

To return to the intellectuals, their dislike for the profit motive of the market place no doubt rests in part on a failure to understand its logic and workings. It is a fact painful to record that the level of economic literacy has not risen noticeably in the twentieth century. Indeed as professional economics becomes more complicated and its practitioners use an increasingly more formidable apparatus, there seems to have been retrogression in our ability to communicate with other intellectuals. Less than a century ago a treatise on economics began with a sentence such as, "Economics is a study of mankind in the ordinary business of life." Today it will often begin, "This unavoidably lengthy treatise is devoted to an examination of an economy in which the second derivatives of the utility function possess a finite number of discontinuities. To keep the problem manageable, I assume that each individual consumes only two goods, and dies after one Robertsonian week. Only elementary mathematical tools such as topology will be employed, incessantly."

But misunderstanding is not the whole explanation: I cannot believe that any amount of economic training would wholly eliminate the instinctive dislike for a system of organizing economic life through the search for profits. It will still appear to many intellectuals that a system in which men were driven by a reasonably selfless devotion to the welfare of other men would be superior to one in which they sought their own preferment. This ethic is deeply imbedded in the major religions.

I personally also believe that the good society will be populated by people who place a great value on other people's welfare. This is, however, not the only attribute of the good society, and in particular in the good society a man should be free within the widest possible limits of other men's limitations on his beliefs and actions. This great ethic of individual freedom clashes with that of benevolence, for I can seldom do positive good to another person without limiting him. I can, it is true, simply give him money, but even in this extreme case where I

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

seem to place no bonds on him, he inevitably faces the question of what conduct on his part will lead me to give money to him again. Usually I will find it hard to be content to do so little good—giving money to improve a man's food or housing or health will seem as inefficient as giving him gasoline so he will drive more often to museums. Hence when I give money I shall also insist that it be spent on housing, or on medical care for his children, or on growing wheat in the way that I think is socially desirable, or on the collected works of Burke and de Tocqueville, or of Marx and Lenin. A patron tends to be paternalistic, in a nice way, of course. I am not saying that benevolence is bad, but that like everything else it can be carried to excess.

One final question on motives — why are they so important? Am I to admire a man who injures me in an awkward and mistaken attempt to protect me, and to despise a man who to earn a good income performs for me some great and lasting service? Oddly enough, I suspect our answer is that motive makes a difference — that it is less objectionable to be injured by an incompetent benefactor than by a competent villain. But I leave with you the question: are motives as important as effects?

Several charges related to the dominance of self-interest have rounded out the intellectual's indictment of the market place:

First, the system makes no provision for men whose talents and interests are not oriented to profit-seeking economic activity.

Second, there are cumulative tendencies toward increasing inequality of wealth, which—if unchecked—will polarize the society into a great number of poor and a few very rich.

Third, the game in the market place is unfair in that inheritance of property plays an immensely larger role in success than the efforts of the individuals themselves.

I shall comment briefly on each of these assertions.

The first charge is true — the market place will not supply income to a man who will not supply something which people want. People have enormously varied desires, but not enough of them wish to hire men to engage in research on ancient languages nor, sixty years ago, did they hire men to study quantum mechanics. The market place does not provide an air force or alms for the poor. It does not even supply babies. I conclude that a society needs more than a market place.

The second charge, that there are cumulative tendencies to ever-increasing inequality of wealth, is untrue. I would indeed ignore the charge for fear of reprimand from the Society for the Prevention of Cruelty to Straw Men, were it not that this strawman is so popular. In plain historical fact, the inequality in the distribution of income has been diminishing, and the diminution has been due to market forces even more than to governmental efforts. It is also worth noting that a modern market economy has a less unequal income distribution than either centrally directed or unindustrialized economies.

The third charge, that inheritance of property plays a dominant role in the distribution of income in the market place, is an overstatement. Inheritance of property is important, but it will give some perspective to the charge to notice that property income is only one-fifth of national income, and inherited property is less than half of all property, so less than 10 per cent of all income is governed by inheritance of property.

No useful purpose would be served by trying to appraise the proper role of inheritance of property in a few passing remarks. We should have to look carefully at the effects of inheritance on incentives; we should have to look at gifts during life, which are almost equivalent to bequests; and we should have to decide whether privately endowed colleges do enough good to offset the inevitable high-living heirs—whether we can have Carleton without having Tommy Manville.

But our greatest problem would be that inheritance extends far beyond a safe-deposit box full of bonds and stocks. I have told you that you are intelligent; I now add that the chief reason you are

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

intelligent is that your parents are intelligent. Some of you, especially the younger of you, may find this unbelievable. Mark Twain said he was astonished by how much his father had learned during the short time it took Mark to grow from 18 to 21. But inheritance of ability is important, probably more important in its effects on the distribution of income than is the inheritance of property. So a full account of the proper role of inheritance would have to extend to ability, and perhaps even to name and reputation, as the junior senator from Massachusetts might agree. The social and legal institutions governing inheritance in our society are surely open to improvement, but we are unlikely to improve them if we are guided by nothing more than naive egalitarianism.

And now to my final point. We are great believers in the human mind, we intellectuals, and in its ability to conquer an ever larger part of the immense domain of ignorance. But we have not made much use of the mind in reaching our views on the economic organization appropriate to the good society so far as its basic cultural values go. It is clear that the kinds of traits that are fostered in man are influenced by (but of course not only by) the way economic life is organized — after all, throughout history men have spent half their waking hours in economic activity.

Important as the moral influences of the market place are, they have not been subjected to any real study. The immense proliferation of general education, of scientific progress, and of democracy are all coincidental in time and place with the emergence of the free enterprise system of organizing the market place. I believe this coincidence was not accidental: the economic progress of the past three centuries was both cause and effect of this general growth of freedom. The dominant era of the free market place was in the Nineteenth Century. I believe, but with less confidence, that the absence of major wars in that century — the only peaceable century in history — was related to this reign of liberty. I believe, again with less confidence, that the contemporary transformation of the British public from a violent and unruly people into a population of almost painful Victorian rectitude was related to this reign of liberty.

These beliefs may be right or wrong, but they are not matters of taste. They are hypotheses concerning the relationship between economic and social organization, and are subject to analytical development and empirical testing. It is time that we did so, high time. Our ruling attitude toward the market place has not changed since the time of Plato. Is it not possible that it is time to rethink the question?

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Observations on the Soviet "Lost Generation"

ROBERT M. HURT

THE AMERICAN PUBLIC tends to think of the youth of Communist nations in terms of certain newsreel images—hundreds of youths marching in step to martial music, with identical uniforms and presumably with identical thoughts. Visitors to Russia have been amazed to find that the young people they meet are out of step not only with this stereotype but, what is much more important, with the announced goals of communist society itself. I would like to pass on some observations I made on this subject while in the Soviet Union this past summer.

During my first stop off in a major Russian city I learned that, contrary to my misgivings about the language barrier and the willingness of Russians to talk to Americans, it is often easier to get to know Russian students than even the students of Western Europe. To give an example, I found myself the main attraction at an informal discussion in the center of a small park during my first evening in the town. One student asked if most American families have cars. Another informed us that all American workers lived in constant dread of unemployment and consequent starvation. A boy of high school age stated that Benny Goodman's appearance was a great event in his life and asked when Louis Armstrong was coming to Russia. An older girl asked quietly about Pasternak's prestige in the West and later warned me privately about the omnipresent security police. One student hoped that we would not invade Cuba; another whispered to me as I left, "Yankee si, Cuba no!"

This diversity of opinion illustrates a phenomenon noted frequently by commentators on the Russian scene. In spite of what is undoubtedly history's most determined and scientific attempt at total indoctrination for any prolonged period, the Kremlin has failed to produce a generation of "socialist men" who would swallow *in toto* the Gospel according to Nikita. Some writers have gone so far as to assert that Russia's youth constitutes one of the greatest long range threats to the regime. Edward Crankshaw, in a book which generally praises Khrushchev, sees the present generation as Khrushchev's greatest problem. He noted in 1959 that "the communist idea has long ceased to be an active faith," and that rejection of this idea was most pronounced in the generation under thirty.[1]

The communist leadership displays its uneasiness by its defensiveness in regard to the youth problem. *World Student News,* mouthpiece of the International Union of Students, the Prague-based puppet international communist student

Robert M. Hurt is an Associate Editor of *New Individualist Review.*

[1] *Khrushchev's Russia* (Baltimore: Penguin, 1959) p. 139.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

organization, felt called upon to refute the image painted in a *Time* feature article of a "lost generation" in Russia. Their portrait of Russian youth marching arm-in-arm to a Brave New World represents the wishful thinking of the leadership and would have been a bad joke to most of the Russians with whom I talked:

> The whole of Soviet youth is preparing to engage in building the nation's economy, in getting ready to change the mentality of more and more human beings, so as to raise them to the level which the new society they desire demands of each and everyone of them . . . the struggle to strengthen their country, to build, has become a revolutionary factor which stirs their minds and hearts. Just as revolutionary ideals mobilized former Soviet generations, so the revolutionary ideal of today is work, work, and work.[2]

Communist propagandists themselves give the lie to this ecstatic vision with their omnipresent posters in every town square exhorting the population against "teddy boys" and "hooligans" and their articles castigating those young people who seek to emulate "decadent capitalist ways."

THE STUDENTS WITH whom I talked can be roughly divided into three groups. The first would be those who seemingly are unquestioningly accepting everything they have been taught and will defend every article of the communist dogma with a religious fervor. While most of the Russians I had met at the Helsinki Youth Festival and at the International Union of Students Congress in Prague, as well as Russian exchange students I have talked to, would fall in this category, only two students I met in Russia itself were of this type. (One was our Intourist guide, who was dubbed Little Izvestia by our group.) I suspect that these young militants, while predominant at events where official selection is necessary, are only a small proportion of Russian youth.

In the second category I would place those Russian youth who are in open and contemptuous rebellion against communist ideals and Soviet society. These are grouped together as "teddy boys" by the Soviet press. American tourists inevitably run into the most daring of these young men almost as soon as they step off the train or plane in Moscow. Operating near the most popular tourist establishments, especially Gorki Park and the GUM Department Store, they offer to buy American suits, ties, synthetic shirts, and especially shoes. (I received eight tempting offers for my suit during my first two days in Moscow.) Sometimes they offer to pay in American dollars, even though it is a serious crime for Russians even to possess American dollars. (Some of the most important black market operations in dollars are conducted by students who purchase dollars from Russian sailors.) They are equally willing to sell phony seventeenth century icons to gullible American tourists.

These rebellious young men are found throughout the social spectrum. The "hooligans" are the children of workers, the *stilyagi* are of the middle class, and the "jet-set" are the parasitic and completely shiftless children of the very rich.

At best they do absolutely nothing; at worst they are juvenile delinquents of the most violent sort.

Those with whom I talked seem to have consciously and emphatically rejected their indoctrination. They are most eager, often without fear of being overheard, to tell just how horrible they think life in Russia is. (The black marketeers might think that this would increase the chance of commercial transactions with Americans.) Their ideal seems to be the United States, but unfortunately a parody of the United States which would horrify us. They worship at the altar of American rock 'n' roll. (I was asked several times to my chagrin to demonstrate the "twist.") Elvis Presley is a hero. Moscow streets are popularly named after American counter-

[2] "Soviet Youth: A Lost Generation?" *World Student News*, vol. 16, no. 6, 1962, p. 10.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

parts; for instance, Gorki Street is dubbed Broadway. They dress in what they presume to be American styles, though they are closer to the zoot suits of the early forties. I was shocked to learn that an anti-American film had to be closed out because a showing of automobile "chicken races" had backfired in its propaganda effect. One Muscovite asked me with awe, "Do you really do that in America?"

Needless to say, when listing their grievances against communism, they failed to indicate any appreciation of the values which we prize in the West. Their main grievance seems to be that they do not now receive the material benefits and opportunities for sensual thrills that they think they would receive in the United States. Though the *stilyagi* and "hooligans" have received considerable attention in the Western press, they clearly do not comprise a majority of Russian youth, and their importance should not be overemphasized.

INTO MY THIRD CATEGORY I would put most of the students I met during my brief Russian stay. These are the young people who on the one hand are honest and somewhat intellectually bent, and desire to lead useful, productive lives, and on the other hand are disillusioned and skeptical in varying degrees about the goals and actualities of Soviet society. I was frankly surprised that so many Russians were of this opinion, and I might well have had different results if I had been able to talk to more people. The fact that I could only converse with persons who spoke English might have given me an inaccurate cross-section. But the discovery that many born and reared under communism develop such attitudes is a cause for amazement. And both the Americans and Russians I talked to in Moscow agreed that a significant proportion of the present generation is skeptical and disillusioned without resorting to the extremes of the "teddy boy" set.

For obvious reasons I cannot be too specific in describing these young people. In contrast to some of the bolder *stilyagi*, they usually fear reprisals for over-familiarity with Americans. Almost as soon as we crossed the Russian-Polish frontier we noticed the manifest uneasiness of our acquaintances when a stranger walked by or seemed to be staring. Whenever we would approach within a few blocks of a major hotel, an area with a notoriously high concentration of plainclothesmen, the Russians usually would politely excuse themselves or bluntly announce that they were afraid to go further. (This attitude is not universal. Two loquacious and critical college students showed no fear whatsoever.) Fantastic rumors abound concerning new electronic listening devices and an apparatus which reads letters without opening them. While commenting on the common belief that there are hidden microphones in most public buildings, one student remarked that Russians give a quite literal meaning to the epigram, "The walls have ears." Twice to my knowledge students were warned by plainclothesmen not to talk to me; once one of these ever-present gentlemen even interrupted our conversation and warned the Russian with whom I was talking to discontinue our acquaintance.

The fears of these students are offset, however, by a passionate desire to talk to Americans and learn of the United States and the West. There is the inevitable interest in the material benefits of American life: Does your family have a car? A house? What will a worker's or doctor's wage buy? How much are shoes? Have you been to Disneyland? And even the serious students are obsessed with jazz and Louis Armstrong, although not with rock 'n' roll.

But the most gratifying revelation to me was their strong concern with questions of individual freedom. No conversation passes without questions about Pasternak, who is a heroic symbol to a large segment of the young Russian intelligentsia. I found a hunger for information about Western writers and artists, especially American and French. I spent two hours one evening describing contemporary controversies in philos-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

ophy to two brilliant university students who were particularly bothered by the narrow limits of philosophic inquiry in the Soviet Union. The ideas of Ayer and Wittgenstein, of Maritain and Sartre, represented a forbidden frontier to them. They noted with special irony that the philosophic works of such heroes of Soviet propaganda as Russell and Sartre (as well as the paintings of Picasso) are forbidden, with the exception of carefully selected extracts. One student remarked disgustedly, "While you explore the whole world of philosophy, we stop at Lenin's *Materialism and Empiro-Criticism.*"

Almost everyone felt that conditions had improved in some ways since the pre-1956 period. However, Khrushchev's brutal crackdown on "liberal" writers after the literary thaw period of 1956-57 came in for especially bitter criticism. Several students commented angrily on Khrushchev's speech at a party for writers in 1957 at his own villa. Though it was omitted from the published report, they claim he asserted that the Hungarian trouble could have been avoided if the Hungarian government had shot a few writers. He warned that if similar trouble arose in Russia, "My hand would not tremble." This remark seemed especially brutal since it was coupled with an attack on the "incorrect" opinions expressed by Margaret Aliger, one of the most daring of the "thaw" writers.[3] Khrushchev has curtly summed up his attitude toward cultural freedom: "For anyone who faithfully serves his people in a socialist society, the question of whether or not he is free in his creative work simply does not exist. . . ."[4] Fortunately, for many in the new generation of creative minds in Russia it is a question that does exist.

These young Russians were even more bitter in their criticism of restrictions on travel to the West in particular and of their isolation from the West in general. Everyone was amazed that I could travel to Russia without special State Department permission. One Russian who had been unable to obtain permission to travel to communist Poland switched from an attitude of mild cynicism to anger at his lot in the world when he heard of the ease with which I travelled through almost every country in Europe. He pointed out that it was considered a great improvement when Russians were allowed to travel more than twenty kilometers from their residence without special permission. University students were especially interested in the ease and cheapness of travel between Western nations. When I suggested that this might gradually lead to valuable cultural cross-fertilization and eventually to a cultural synthesis as well as a political federation of Western nations, one student summed up a typical attitude: "And we will be left out!"

This official stifling of the creative spirit, and officially imposed isolation from the rest of the world, when coupled with a realization that a monstrous and cumbersome bureaucracy attempts to manipulate every aspect of personal life, has produced a feeling that, figuratively speaking, the individual lives in an atmosphere so stifling that one can scarcely breathe. This not only was a metaphor that cropped up several times in personal conversation, but it is a recurring theme among the best young Soviet writers.[5] Incessant loud speakers in the centers of large cities, with their stream of martial music and purring feminine voices, symbolized to two of these students the stifling atmosphere of

[3] While Miss Aliger reportedly fainted upon hearing Khrushchev's thinly veiled threat, her later "recantation" may have been written satirically: "I think that I will be able fully to explain the profound conclusions which I have drawn for my future only by working wholeheartedly, by remembering always that the main task of a Soviet writer is political work, and that it can only be performed honorably by following unwaveringly the Party line and Party discipline."

[4] Quoted in *The Current Digest of the Soviet Press* (New York), October 9, 1957.

[5] This tendency is illustrated by the works of Russian and satellite authors collected in *Bitter Harvest*, ed. Edmund Stillman, (New York: Praeger, 1959). Francis Bondy's introduction points out that some of these authors have more in common with Kafka than with the authors of socialist realism. On one occasion a young Russian writer informed me he felt more kinship with Kafka than with any Russian writer.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

their society. Even as a brief visitor to the Soviet Union I found these an annoying intrusion into my privacy. The effect of a dictatorial bureaucracy in stifling life was well summer up in an article by one of the Party's most renowned writers, Ilya Ehrenburg, who, surprisingly, was allowed to subtly voice this opinion even after Krushchev's threats:

> A tyrant can be intelligent or stupid, good or evil, but all the same he is all-powerful and powerless; he is frightened by conspiracies, he is flattered and deceived; the jails fill up; cowardly hypocrites whisper, and a silence settles in that is enough to stop the heart . . . .
>
> . . . the guilt rests with a society that demands hypocrisy, condemns the truth, and tramples large feelings for the sake of its many conventions.[6]

In reaction to this feeling of suffocation large segments of Russian society have in one way or another tried to attain a little privacy. The official press has bitterly assailed the "antisocial" tendency among the members of the new wealthy class to isolate themselves in small *dachas* hidden in the woods. Writers react by turning from the "social" themes required by socialist realism and either remaining silent or turning to an introspective, even egocentric theme. The very silence of writers after the end of the thaw was recognized by the officialdom as a danger. Soviet writers were told by a high party official in 1957:

> It is known that in music a pause sometimes expresses more feeling and thought than the melody. Your silence is dangerous. It causes disorientation among the readers. What does it mean? What does it conceal? An arrogant contempt for the opinon of others? A contemptuous belief in one's own infallibility? An insulting "How could you possibly understand us?" The pathos of readiness for sacrifice? What does this silence signify? We do not understand it. Neither do the people.[7]

[6] "The Lessons of Stendhal," *Bitter Harvest*, pp. 230-31.

The brilliant young poet Evgeni Evtushenko, who now sticks close to permissible themes, was assailed as a representative of the new tendency to turn from social themes and engage in introspection:

> When Evtushenko was roaming the countryside around Zima, it never occurred to him to take hold of the controls of a combine-harvester or the wheel of a lorry, or a rake or a scythe or a fork . . . Evtushenko has not portrayed the heroism of labor. . .[8] .

Pasternak's *Dr. Zhivago* was correctly recognized by the literary officialdom as an extreme representative of this new attitude. The famous *Novy Mir* letter rejecting *Dr. Zhivago* for publication, the only official comment with any vestige of integrity, ignores the most obvious political remarks, which were really no worse than many which had already been published in some recent works, and concentrates on the underlying attitude toward life. Pasternak is attacked for making a hero of Doctor Zhivago, a man who is egocentric and concerned mainly with his own personal salvation, as well as indecisive and unheroic in the physical sense, the literary antithesis of the new socialist man just as the book is the antithesis of socialist realism.

Khrushchev's revelations of Stalin's crimes, which are continuing in lurid detail, have contributed more than anything else to destroying the faith of these young intellectuals in their government and system. An announcement that Beria, once one of the triumvirate that ruled Russia, had personally murdered prisoners in his office was a crowning blow. In Orwell's *1984*, no one noticed when Big Brother rewrote history. In Russia this rewriting has created the gravest doubts. If what we believed then was a lie, why should we believe what we are told today? How could one

[7] Leonid Sobolev in a 1957 speech to the Soviet Writers' Union, as quoted in *Soviet Survey*, (London), September, 1957.

[8] V. Solukhin, *Literaturnaya Gazeta* (Moscow), as quoted in *Soviet Survey* (London), July-September, 1958.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

of history's worst tyrants take power under a system which we are told is the world's best? How do we know it will not happen again? Is it still happening? Some Russians believe almost nothing emanating from government sources. One did not believe there was segregation in the United States until he heard it admitted on the Voice of America.

Others are confused and skeptical. I recall one instance which illustrates the depth of this doubt. A student was arguing with two others that Khrushchev was completely different from Stalin and actually desired a transition to more freedom. I threw out a query which I thought would have only slight rhetorical value: "What will you say after the de-Khrushchevization period? Will you contend that the next leader is different from Stalin and Khrushchev?" While the other students nodded in agreement, she gave a look of terror, and tears actually came to her eyes. She later admitted that her attitude had been one of desperate hope rather than conviction.

All this does not in any sense mean any significant number of the young generation have embraced capitalism as their ideal or are looking to American military liberation of Russia. Their political goals are usually nebulous and uncertain. Sometimes I encountered a belief in a highly decentralized "syndicalism" in which workers owned their factories and people were free in their personal lives. The ideas of Gorky seemed to have had more of an impact among them than those of Lenin. There is pride in Russia's rapid technological development, although not as much as I had anticipated. Many Russians are clearly not impressed with their space achievements, and several felt it was a tragic waste of money with so much misery to be alleviated.

Their attitudes toward the United States and the Cold War vary considerably, but I never found them either completely uncritical or particularly hostile. No one doubts that the average worker is much better off materially in the United States, although there is much misunderstanding and exaggeration as to the unemployment problem. They usually express criticism of the condition of the Negro, though not with the vehemence of the average Englishman. They sometimes express concern over the John Birch Society, often demonstrating such misinformation that they might have been readers of the *New York Post.* Their views on the Cold War, though usually blaming the United States for creating "war tensions," were often surprisingly sophisticated, considering difficulties in obtaining information, and rarely completely echoed official propaganda. Most tend to attribute guilt for present tensions to both sides; the Russian military and American arms producers are singled out as the culprits. American bases around Russia, the U-2 flight, and our policy towards Cuba are singled out for criticism, although I found them open-minded and willing to re-examine their opinions when I explained the reasons for American policy. Their willingness to reject a previously held opinion probably was another indication of the extreme skepticism with which they often receive official information. All but two were well informed about the Hungarian repression and were horrified at their government's action; several had guessed at the real reason for the Berlin Wall. And many fear and are repelled by the Communist regime in China.

BECAUSE OF OUR language barrier, I could enter into only a few detailed conversations on deeper issues, the attitudes of these people toward the purpose of their existence and the hopes they had for the future of Russian and mankind. I cannot say how typical the attitudes expressed in these conversations were, but I pass them on as some of the most interesting observations of my trip. I found a surface optimism concealing a pessimisim which ran deeper than mere cynicism. Goals, though vague and uncrystallized, are phrased in terms of absolutes. This vividly contrasts with the more pragmatic and cynical attitude of the Czechs, for instance, to look to a lit-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

tle more than survival and a general improvement in their present condtion. Philosophies such as pragmatism and neo-positivism in my opinion would be utterly unacceptable to this Russian mentality, because the attitude of mind which has engendered them in the West, the skeptical mind which is willing to suspend judgment and to be content with partial answers, is alien to this Russian intellectual temperament. Likewise, in the political field these young Russians seem to be looking for absolute commitment to a system which provides answers to all questions rather than for a set of provisional solutions to vexing problems. Just as the Russian has always been either theist or atheist, never agnostic, there is a strong tendency for the Russian, unlike the American, Englishman, or Czech to be a political extremist and uncompromising idealist. Dostoevski meticulously probed this desire for total commitment, and Berdyaev has shown how the intellectual success of Marxism is bound up with his mentality.

All the disillusionments of recent years, the Stalin revelations, Hungary, the fanatic turn taken by China (and I am sure their government's vociferous denial, then admission of missile bases in Cuba can now be added to the list), and Khrushchev's crude crackdown on the 1957 literary thaw, have had a traumatic psychological effect on these young Russians, who emotionally are intensely patriotic to "Mother Russia" and desire so strongly to "believe" in her. Several times I detected what might have been a feeling of personal guilt, a slight tinge of masochism. Descriptions of the worst aspects of life in Russia are all too often accompanied by remarks such as "This is our shame," and "We are so embarrassed to admit this to an American." Also, when they undertook to defend their government on some point, I felt they were all too willing to give in to my arguments. They found them much more convincing than I did on several occasions, and stated that they were "humiliated" to admit I must be right.

If I am warranted in drawing any conclusions from these observations of the Russian attitude, I would say that this helps to explain why Marxism as a closed theory and ideal had such an attraction to the Russian intellect and why the theoretical justification for a capitalist and pluralist system, admittedly offered as merely the best of imperfect systems, might have little intrinsic appeal. However, when a system falls so blatantly short of any set of ideals justifying commitment, such a mentality is likely to engender more hostility than a more moderate and pragmatic one.

NOW I COME TO the task of drawing practical conclusions from my disjointed mass of observations. First I would note that Russia is in a perverted way a more open society than we might expect. Rigid government control of the nation's economic life is circumvented to a fantastic degree by various illegal operations: black market, bribery, and theft of state property. Recent administration of the death penalty for various economic crimes (murder and rape are not punishable by death) seems to be a feeble attempt to deal with a way of life that in many areas is the rule rather than the exception. Likewise, the official monopoly of informational media is circumvented by an all pervasive grapevine. In Moscow we received slightly confused reports of the riots and subsequent repression near Rostov, when the government was stopping tours bound for Rostov because of an "epidemic." A slight Soviet relaxation of controls has also contributed to alleviating the situation in regard to information. English language Voice of America broadcasts can be easily picked up, although Russian language broadcasts are usually jammed. The United States government publication *America*, which is sold in very limited amounts under our cultural exchange program, had been read by almost everyone to whom I talked. And, of course, the mass inflow of Western tourists offers an important respite from isolation to these people, at least in the large tourist centers.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Second, almost every American visitor is surprised by the special friendship and respect accorded Americans. Not only do Americans find themselves well-received; we found almost no hostility toward the United States and its government. As I have already pointed out, among a significant portion of the young, American culture, or at least what we regard as the worst aspects of it, is set up as an ideal. And among the more serious I found a respect for America and its institutions greater in many cases than is usually found in Western Europe. To the young generation, events such as Benny Goodman's tour are magnified in importance. Not only is this music they want to hear, it is contact with America. On several occasions I was touched by the special attention I received when a Russian learned I was an American. Once a boy of about twenty, after telling me how to get to my destination on the other side of Moscow, asked me if I was an Englishman. When I informed him I was an American, he spent the next hour accompanying me to my destination. When no one was looking he proudly displayed the contents of his gym bag—a copy of *America.*

But of what significance is all this? Does the attitude of the Russian young generation make one iota of difference as to Russian policy when all decisions rest in the hands of the top men? Senator Goldwater, in his *Conscience of a Conservative,* has no trouble finding an answer. In one sentence he asserts that contacts with the Russian people are useless because they have no say with the government. Although I do not plan to go into the reasons here, I would contend, but with some reservation, that broadening contacts and attempting to explain our position may in the future be of considerable importance.

But one sentiment that is difficult to rid oneself of after associating with these people is a fervent hope that some day they will see an end to the oppression under which they live, coupled with a hope that in some way we may help them to do so. I was especially moved by an event which occurred when I was being questioned on Pasternak by a very small group of adult Russians late at night in a public square. The eldest, a worker who was interpreting for the group, asked if I remembered any of Pasternak's poems. I stumbled through the first two stanzas of "Beast in an Enclosure" while it was translated to the entranced group:

I am lost like a beast in an enclosure
Somewhere are people, freedom, and light
Behind me is the noise of pursuit
And there is no way out

Dark forest by the shore of the lake
Stump of fallen fir tree,
Here I am cut off from everything
Whatever shall be is the same to me.

I could remember no more, but one of the Russians picked up the remaining two stanzas, as tears formed in the eyes of every Russian in the group:

But what wicked thing have I done
I the murderer and villain?
I who force the whole world to cry
Over the beauty of my land.
But in my case, I am near my grave
And I believe the time will come
When the spirit of good will conquer
Wickedness and infamy.

Seconds after these stanzas were completed, several passersby seemed to be moving too close for the comfort of the Russians. We shook hands and departed.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Economic Growth vs. "Growth" Economics

JOHN VAN SICKLE

AS WORLD WAR II drew to a close, the prevention of massive unemployment was generally regarded in the West as *the* major continuing postwar problem. In the underdeveloped countries, however, it soon appeared that *the* number-one problem was growth, and not just any kind of growth, but industrial growth. At that time Russia's forced growth convinced many in the West that some minimum rate was required for national survival, and that governments must see to it that this minimum rate is attained.

To old-fashioned liberals[1] this concern for growth seems excessive. To them growth is a form of change and the only kind of change worthy of the name is one resulting from spontaneous changes in consumer tastes and preferences. If people want and can secure more leisure or more children rather than more material things, then that is growth. In brief, to the liberal, growth is only meaningful within the context of freedom.[2]

The liberal does not deny, of course, that in the world of today national survival does depend on growth in output per capita of goods people really want. But he believes that spontaneous forces can and will provide both freedom *and* adequate growth, in this more restricted sense, if government will but provide the proper framework. To him the best way to produce more of what people want is to work harder, save and invest more, and devise better tools and better methods of organizing production. Assuming as he does that human wants are virtually unlimited, he lays his bets on the enormous potentialities inherent in individual initiatives. He relies on free prices and competition to direct resources to all sectors of the economy in such proportions as to keep the returns to capital and to labor approximately equal at all margins. Out of the resulting abundance he would, of course, have the governments of the free world take whatever is needed for defense, urging only that the burden be so distributed as to maintain as fully as possible the incentives which free people must rely on to meet the Communist challenge.

The liberal is rationally as well as emotionally an internationalist. It is obvious to him that no national market is broad enough to yield the full potentialities that specialization offers. He is further convinced that only through free and private trading can national markets be peacefully and effectively integrated.

John Van Sickle is Professor Emeritus of Economics at Wabash College and co-author of the college textbook *Introduction to Economics*. This article is taken from his forthcoming book, *A Framework for Freedom*.

[1] The term "liberal" is used here and throughout this article in its original and proper sense.

[2] For an effective statement of this view of growth, see P. T. Bauer, *Economic Analysis and Policy in Underdeveloped Countries*, (Durham, North Carolina: Duke University Press, 1957), pp. 113-114.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Properly speaking there is no single "new theory" of growth, but rather a family of theories, differing from one another in detail, but alike in their denial of the liberal concept and explanation of growth, and in their distrust of the spontaneous forces of the market. Common to all variants of the "new theory" is the conviction that growth must be in accordance with the overriding directives of a comprehensive plan. Just as the 1949 United Nations *Report on Full Employment*[3] represents the "new look" at the employment problem, so its 1951 Report[4] on ways of promoting the rapid development of poor countries represents the "new look" at the growth problem.[5]

A CHARACTERISTIC OF the new theories is the modest role assigned to agriculture. For a variety of reasons, some perfectly valid[6] and some wholly fallacious,[7] it is held that an appreciable proportion of the farm population in the underdeveloped countries could be withdrawn from that sector without any adverse effect on total output. Anything these workers could do elsewhere would represent a net gain. But they cannot be put to work without tools. Consequently investment in the non-farm sector of the economy is the key to growth, with industrial development given top priority.

It is further held that the needed rate of industrial development cannot be had by adherence to measures consistent with orthodox theory. Investment would be spread too thin. What is needed is such a massive concentration of capital on a relatively limited non-farm target as to enable the whole economy to "take off" and to "break through" the vicious circle of proverty and stagnation. Where a single factory might not pay, fifty plants properly brought together might prove highly profitable because they would provide each other with external economies and further justify the provision of the roads, power, ports, education, health services—the much-talked-of infra-structure—which would otherwise represent a waste of scarce resources.[8]

This variant of the "new theory" explicitly rejects the marginal-productivity principle. "Economic analysis," we are told, "provides two general principles for the use of resources. One is the marginal principle." Another, and a better one, to which no name is attached, "arises from the fact that large movements of resources within the economy will have effects which are disproportionately different. In consequence the planner must satisfy himself not only that further marginal movements would serve no useful purpose but also that there is nothing to be gained by larger movements of resources, amounting to a considerable alteration in the structure of the economy." The new principle must be grasped intuitively. The planners "must soak themselves thoroughly in the facts of each particular case and must then use their best judgment."[9] Furthermore they must rely primarily on "direction" rather than on "inducement" despite the fact that direction requires a costly bureaucracy which is "liable to corruption," "gives rise to black markets," causes "great irritation

[3] *National and International Measures for Full Employment*, United Nations, (New York, 1949).

[4] *Measures for the Economic Development of Underdeveloped Countries*, United Nations, (New York, 1951).

[5] There is little in the subsequent flood of interventionist literature that runs counter to the analysis and policy recommendations to be found in this 1951 report.

[6] For a clear statement of this sophisticated theory, see *Economic Development in Latin America and Its Principal Problems*. An analysis of this theory by B. A. Rogge appeared in the Spring, 1956, issue of *Inter-American Affairs*, (vol. 9, no. 4), pp. 24-49.

[7] For a perceptive discussion of this whole issue of the place of agriculture in a growing economy, see P. T. Bauer and B. S. Yamey, *The Economics of Under-developed Countries* (London and Chicago, 1957), Chapter XV. For actual evidence against this thesis, see H. T. Oshima, "Under-employment in Backward Countries," *Journal of Political Economy*, June, 1958, and T. W. Schultz, "Latin-American Economic Policy Lessons," *American Economic Review*, May, 1956.

[8] *Measures for the Economic Development of Under-developed Countries, op. cit.*, parag. 185.

[9] *ibid.*, parags. 148-151.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

and frustration" and "cannot be applied to new foreign resources to be attracted from abroad."[10]

The immensity of the task assigned to the governments of the underdeveloped countries is revealed in the following list of public functions which the United Nations experts cite as representative rather than complete: market research; prospecting; establishment of new industries; creation of financial institutions "to mobilize savings and to channel them into desirable private enterprise"; operation of public utilities, of agencies for marketing agricultural produce, of factories for processing the output of small farmers; confiscation of "unearned increments" that arise in economic developments; land reform; "creating credit institutions and insurance schemes which satisfy the farmers' legitimate needs for credit"; some compulsory standardization of products in particular industries; planning and organization of "industrial centers"; compulsory consolidation of land holdings; "influencing the movement of resources in directions which it considers to be more appropriate," including the location of industry; control of new building by restrictive licensing; acting as guarantor for particular investments; licensing of new investment; and perhaps controlling the consumption of the rich.[11]

Governments of underdeveloped countries obviously cannot mobilize the talents needed to discharge this range of tasks. The Pakistani people were recently told just this by two distinguished German bankers who were invited to visit the country in the hope, of course, that they could help the Pakistani government find foreign capital. The visitors stated that "because of lack of experience, efficiency and discipline," the administration was "incapable of running a system of physical controls."[12] Similarly a Mission sent by the International Bank to study economic conditions in India and Pakistan suggested very discreetly that "selective controls over industrial development present certain hazards in a country where administrative talent is spread so thin."[13]

This is in brief the new theory. It denies that economic freedom alone will produce growth; it insists that government's role in this area is critical, central and substantial. It is now in competition with orthodox theory for acceptance by policy-making bodies in all countries. Is it an improvement on the old?

THERE IS TRUTH in the new theory, but most of what is true is not new and most of what is new is of dubious validity. Indeed, the valid part of the theory is largely a restatement of two exceptions to the principles of "natural liberty" which have been recognized by economists from the days of Adam Smith on.

First, there is the infant-industry argument. Economists have always recognized the possibility of speeding up by temporary protection the development of industries for which an industrially young country possesses a potential com-

[10] *ibid.*, parags. 216, 217. An item about Indonesia in *Newsweek* (February 14, 1960) strikingly confirms the reality of these dangers which the U.N. Report identifies and then dismisses: "Meanwhile, the art of government seems to elude Indonesia. Its vast mushrooming bureaucracy (more than 1 million Indonesians are on the public payroll) is riddled with twin ills: incompetence and corruption. More than anything else, these evils have got the nation's economy into such a shambles that U. S. observers in Indonesia simply throw up their hands when the subject is brought up.

"*Bribes and Bad Fish:* Corruption is the normal way of business. One man recently paid a 50,000 rupiah bribe in order to be allowed to pay a 200 rupiah tax he'd forgotten; another was asked to pay 50,000 rupiahs for a residence permit to be allowed to live in his own house. (The rupiah itself, on the black market, has gone up as high as 750 to $1, though the legal rate is 45.) As for bureaucratic incompetence, government purchasing agents consistently buy bad rice and rotting fish; one importer recently bought 100,000 tons of Swedish cement and had to throw 30,000 tons into the ocean after it got wet because there was no place to store it."

[11] The above list of duties and the ensuing comment borrows heavily from Ben A. Rogge, "The Role of Government in Latin-American Economic Development," *Inter-American Economic Affairs*, (vol. 9, no. 3, Winter, 1959), p. 43.

[12] International Monetary Fund, *International Financial News Survey*, March 27, 1959, p. 298.

[13] *ibid.*, April 28, 1960, p. 333.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

parative advantage. In so far as economic theorists reject the conclusion, it is on practical and political grounds.

Then there are what have come to be called "neighborhood effects." Adam Smith's third "duty of the sovereign" covers some of these; Professor Pigou has made us familiar with others. Whenever uncompensated benefits and uncompensated damages result from private actions, traditional theory recognizes the propriety, in principle at least, of public interventions of an encouraging or restraining sort, if returns to resources at all margins are to be kept equal. Here again the liberal's scepticism is due to his doubts regarding the ability of governments to resist the pressures to carry investment far beyond the point indicated by marginal-productivity theory, and to handle satisfactorily the resulting administrative and fiscal problems.

Both these arguments slight the political and fiscal aspects of the problem. When a poor country invokes tariffs and subsidies in a large way, there is apt to be such a misuse of scarce resources as to seriously retard growth. Until a government can discharge tolerably well the first of Adam Smith's "duties of the sovereign" — national defense and the maintenance of domestic tranquility — the undertaking of these optional and more difficult tasks is likely to create a situation in which growth with freedom becomes impossible.

Ambitious public programs call for large public expenditures. It is difficult to raise the required revenues entirely through indirect taxes. Consequently, governments are under pressure to impose heavy and sharply progressive direct taxes modeled on Western standards, or else to resort quite frankly to inflation. Both methods impede growth.

Inflation distorts investment decisions, creates balance-of-payments problems, works hardships on fixed-income groups, provokes flights of domestic capital and discourages the entry of foreign capital. Consequently investment via this route frequently explodes into galloping inflation with complete destruction of confidence in the nation's money, or degenerates into "suppressed" inflation with its accompanying arsenal of detailed and paralyzing price and production controls, its black markets and the widespread "irritation and frustration" to which the United Nations' experts referred.[14]

Progressive taxation is likely to be equally harmful to growth. In so far as the law is enforced, it slows down the rate of increase in precisely that resource which is most scarce and most needed for growth. In fact, of course, underdeveloped countries simply cannot enforce highly progressive taxes, but this does not mean that the attempt does not have unfavorable consequences. Administration is apt to be arbitrary, capricious, and corrupt, and the yield is sure to fall short of expectations. Hence, poor countries which attempt to finance grandiose development schemes through a modern progressive income tax are forced to fall back finally on either inflation or on indirect taxes. Neither is adequate to the task, but of the two, inflation is by far the more damaging.

The development plans called for by the new theory invariably require a greater investment than can be had from voluntary savings. Consequently, internal compulsions are recommended, though they are frequently spoken of as "inducements." But it is also recognized that the "revolution of rising expectations" cannot be satisfied by any combination of voluntarism and compulsion. Foreign capital is essential and it is generally taken for granted that the underdeveloped countries neither can nor should be expected to pay the price needed to attract this capital from the private-capital markets of the West. The governments of the West are said to have a moral obligation to force the savings of their people into the service of the

---

[14] See Professor Karl Brandt's *The Threat of Inflation in the Under-developed World*, at the Stanford Business Conference on Economic Growth and Inflation, held at Stanford University, Stanford, California, July 20, 1959 (mimeograph copy). A convincing statement of the case against inflation as a means of promoting growth will be found in an article by Gottfried Haberler, Galen L. Stone Professor of International Trade at Harvard University, *Inflation: Its Causes and Cures* (revised and enlarged edition, American Enterprise Association, Washington, D.C., June, 1961).

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

peoples of the underdeveloped countries roughly on the basis of need.

Is it wise to encourage this belief? Leaving aside the moral aspects of the problem, it is well to ask whether in fact the underdeveloped countries are likely to get more or less foreign capital by relying on compulsion rather than on voluntarism.

Unless the compulsions applied within the poor countries are extremely severe they defeat themselves by driving capital out of the country or into hiding. Success, therefore, will depend upon the willingness of the people of wealthy countries to tax themselves and to see their funds used year after year to keep in power regimes whose actions are in many respects at variance with the ideals which the aid is supposed to promote. Will the people of the West be willing to give enough and give long enough to enable *all* underdeveloped countries to grow in numbers and in wealth at rates corresponding to their several "expectations"? The amounts required are so gigantic that no responsible government in the West should give the impression that they will be forthcoming,[15] and no responsible government among the underdeveloped countries should build its plans on the expectation that they will be forthcoming. Almost any underdeveloped country, on the other hand, can expect to see a very substantial inflow of foreign capital and foreign managerial skills, if it puts at the very center of its development plans the necessity for creating those social psychological, economic and institutional arrangements which represent the veritable infrastructure for voluntary growth.

NOTHING SAID SO FAR should be interpreted as a denial of the deep concern of all true liberals in the growth of freedom and well-being everywhere. What they object to is the method favored by the new theory. If the people of the West are really sincere in their protestations of concern with poverty in less-favored parts of the world, they must be prepared (a) to open on durable and reasonable terms their own markets to the products of the underdeveloped countries; and (b) to refrain both directly and through such agencies as the International Labor Organization from urging the governments of the underdeveloped countries to impose wage and welfare standards they cannot yet afford. And if the peoples of the underdeveloped countries really want growth with freedom, they must be prepared (a) to accept the disciplines of free markets; (b) to see to it that their governments discharge efficiently, adequately and honestly the "primary functions" that all governments must perform; and (c) to resist the natural and generous impulse to convert the high productivity which capital and modern know-how make possible too quickly into increased consumption. Development, whether planned or unplanned, is uneven in its timing and in its impact. It lifts productivity in narrow sectors of the economy far above that prevailing in the sectors where, for the time being, traditional methods persist.

When governments of poor countries call upon these narrow sectors to provide incomes to public officials and to the workers directly involved which are a multiple of those enjoyed by the vast majority of the people, a "domestic gap" is created which is probably more conducive to envy and more detrimental to growth than the international gap about which we hear so much. The high wages, whether imposed by minimum-wage laws or collective bargaining or industry commissions, create a "contrived scarcity" of labor where there is no real scarcity,

---

[15] Professor J. Spengler's warning is very pertinent: "Unless population growth is reduced, the stork will gobble up capital faster than it can be introduced . . . in consequence per capita income will not be able to rise rapidly and America will be damned for having supplied a drop of water, when allegedly a bucket was needed, even though in the absence of a salutary change in the people's habits, not even a barrel could have helped much in the long run." This is from an address Professor Spengler gave at the Third Duke American Assembly, May 18-21, 1961. The whole address ("National Goals, Growth and the Principle of Economy") deserves careful reading. It is an exceptionally convincing statement of the pitfalls involved in setting up national goals.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

and thus make it necessary for the private firms which are subject to these imposed costs to use more capital-intensive methods than would otherwise be the case. As a result the work force in the less-developed sectors of the economy is deprived of the simple tools which would contribute more to national output than the highly modern plant and equipment which planners in the underdeveloped countries delight in as evidence of progress.

To conclude, we can find no reason either in theory or in the historical record why governments of poor countries must play a larger role in economic affairs than the governments of wealthy countries. Development is an unending process. It is needed by poor and rich countries alike. The public policies which promote growth with freedom are much the same everywhere.

WHAT YOU CAN DO TO HELP NIR . . .

During the past year, the circulation and staff of NEW INDIVIDUALIST REVIEW has been expanding rapidly. This journal is now being sold at many local newsstands and at over 40 colleges and universities. Despite a few dissenting notes, the general reaction of libertarian and conservative leaders has been favorable. The author of "The Conservative Mind," Prof. Russell Kirk, for instance, has said that NEW INDIVIDUALIST REVIEW is a work of "genuine intellectual power" and the editor of "National Review," William F. Buckley, Jr. has called it "by far the best student magazine on our side of the fence." If you agree that this is a useful magazine which ought to be read by more people, there are four things that you can do to further the growth of libertarian-conservative ideas.

(1) You can urge your college library or your local public library to subscribe. A library subscription makes an excellent donation since it may introduce the magazine to dozens of people.

(2) You can urge your friends to subscribe or to donate subscriptions to students.

(3) If you are a college student, you can volunteer to act as our representative on your campus.

(4) Our student subscription price ($1.00 a year) does not cover the cost involved; this price is purposely kept low to encourage as wide a readership as possible among undergraduates. Our deficit is made up by voluntary contributions from individuals. Any donation which you might be able to afford at this time would be gratefully received. None of our staff, by the way, receives any remuneration of any kind.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Civil Liberties in the Welfare State

ROBERT SCHUCHMAN

IT IS GENERALLY conceded that the concept of limited government is a keystone of the political structure preferred by consistent adherents of the libertarian or conservative philosophy. The notion of limited government rests upon the conviction that the primary fount of sovereignty, the well-spring of civilized existence, resides in the individual. The rights and liberties of the individual in a democracy thus assume a rank of such importance that they may not be nullified by the wishes of any class, any race, any combination of powers, or even by the majority of the electorate itself.

The philosophy of limited government was epitomized by the great Enlightenment penologist, Marquis Beccaria-Bonesana, when he argued that "every act of authority of one man over another, for which there is not an absolute necessity, is tyrannical."[1] To protect ourselves from such a tyranny, we agree consensually to what are essentially self-denying ordinances: to constrain some individuals from using the power of government to interfere with the free exercise of the rights of speech, press, property, and movement, by other individuals, we enjoin the government from exercising any prior restraint in these areas of human activity. In their ideal existence, these self-denying ordinances restrict the enactment of positive law by majorities as well as by minorities: collectively, they form the constitutional framework of what we generally call civil liberties. It may be observed that the extension of civil liberty has always gone hand in hand with the limitation of government by the governed.

With these basic ideas in mind, we may proceed to the central thesis of this paper: that the adoption and extension of what is called "the welfare state," together with current Liberal responses to national economic and diplomatic inadequacies, constitute a serious threat to the maintenance of civil liberties in America today. I do not speak of the economic manifestations of welfarism, a subject which has been commented upon at length by conservative and libertarian scholars. Furthermore, I shall make little or no attempt here to offer alternatives to the shortcomings I enumerate. My sole purpose is to suggest that lawful policies born of political necessity have been so extended as to infringe upon the civil freedoms guaranteed by our Constitution. For the purposes of this argument, I shall throughout even assume the validity of the underlying governmental functions cited and single out for objection only their anti-libertarian effects.

Robert M. Schuchman, who received a B.A. from Queens College and an L.L.B. from Yale Law School, is former National Chairman of *Young Americans for Freedom.*

[1] Caesar Bonesana, Marquis Beccaria, *An Essay on Crimes and Punishments,* (London: Nicklin, 1819), p. 16.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The programmes of Liberalism are apparently motivated by a desire to correct certain inequalities in the human condition. Rather than advocate a general redistribution of wealth, the modern Liberal redistributes on an *ad hoc* basis, attempting to correct what he considers social inequities as he finds them. Unfortunately, the most obvious force for such *ad hoc* exercises of government power is the ballot box. As a number of voters become assured that they constitute a group in their collective capacity, they increasingly tend to utilize the coercive powers of the state to reap benefits from the public till. With the encouragement of political candidates seeking their votes, other groups respond in like measure, until, as H. L. Mencken put it, "there are now only two classes of men in the United States: those who work for their livings, and those who vote for them."[2]

The welfare state, insofar as it exists in this country, is a patch-work of interferences in the private life of the citizen: yet all of these interferences are justified in the name of equality and humanitarianism. It is this fact which makes welfarism so grave a threat to our liberties. No less an observer of the status of American freedom than Mr. Justice Brandeis emphasized that "Experience should teach us to be most on our guard to protect liberty when the Government's purposes are beneficent. Men born to freedom are naturally alert to repel invasion of their liberty by evil-minded rulers. The greatest dangers to liberty lurk in insidious encroachment by men of zeal, well meaning but without understanding."[3]

I submit that this "insidious encroachment" on our civil freedoms is already a reality. As temporary majorities form in our state and national legislatures to enact a statute benefiting still another special interest group, the "oppression of one part of society by the injustice of the other part" becomes further entrenched in our law.[4] Because of the generality of these assertions, it would be well to cite several instances of the anti-libertarian effects of welfarism and the extensions of government activity enacted by a Liberal-minded government.

The sphere of human endeavor which is most peculiarly sensitive to government interference is the quest of the individual for knowledge upon which to base his political and social judgments. Intelligent action may be impossible without access to information leading to an understanding of the alternatives open to the actor. In a free society, such action should be the resultant of autonomously derived preferences. As Professor F. A. Hayek has said, "The conception that government should be guided by majority opinion makes sense only if that opinion is independent of government. The ideal of democracy rests on the belief that the view which will direct government emerges from an independent and spontaneous process. It requires, therefore, the existence of a large sphere independent of majority control in which the opinions of the individuals are formed."[5]

A similar conclusion may be reached concerning private decision-making: we are less free to the extent that we must depend upon government as a source of knowledge, or are limited in our access to knowledge by the regulatory actions of government. The entry of the Federal Government into the field of scientific, medical, and sociological research, almost to the exclusion of private philanthropy, poses a unique danger insofar as the relevant bureaus of government may now determine which subjects are to be investigated and which allowed to atrophy. Political control of research is rapidly becoming the technological counterpart of the President's power over political information. It has been said of the President's use of his periodic

---

[2] H. L. Mencken, *A Mencken Chrestomathy*, (New York: Knopf, 1949), p. 622.

[3] Dissenting opinion, *Olmstead v. United States*, 277 U. S. 479 (1927).

[4] James Madison, *The Federalist*, No. 51, (New York: Modern Library, 1936), p. 339. See also Bruno Leoni, *Freedom and the Law*, (Princeton: Van Nostrand, 1961).

[5] F. A. Hayek, *The Constitution of Liberty*, (Chicago: University of Chicago Press, 1960), p. 109.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

press conference that, "He uses it as a tool. He makes the news, chooses the emphasis and decides where to put it."[6] In much the same way, the financial monopoly over technical research increasingly being enjoyed by the government allows this power to choose the emphasis and decide where to put it in a host of non-political areas.

At the same time as the Federal Government is increasing its sphere of activity, we see a trend in Washington encouraging official censorship of bureaucratic proceedings, again enlarging the area where access to knowledge is limited by the political power. Much of this silencing is excused in terms of cold war requirements. The celebrated "muzzling of the military" controversy is novel not because of the fact of censorship but because of the apparent extent of it. It would be tragic if the trend towards official censorship was a reflection of the extraordinary conclusion by Senator J. William Fulbright, in his now famous "Memorandum," that, "Fundamentally, it is believed that the American people have little, if any, need to be alerted to the menace of the cold war." Yet, if this conviction that the electorate must be kept in ignorance of complex international problems does not influence the Administration, why has the President granted the power of censorship to at least six Federal agencies since he assumed office?[7]

Closely related to the need for independent sources of information is the requirement that methods of *communicating* knowledge be allowed freedom from government compulsion or persuasion. If the state exercises restraint upon the mechanical communicators of ideas and opinions, liberty of expression may become a luxury of personal correspondence. Those who advocate an expansion of the powers of the Federal Communications Commission to include compulsory national programming for radio and television justify their beliefs by reference to the public welfare: even if the masses prefer the twist, we must elevate them with Beethoven. Although I personally prefer Bach and Handel to Rock and Roll, I can see no excuse for foisting my views on others, with the assistance of government power. The possibilities of coercing the common citizen through central control of the popular news media are appalling. It is, perhaps, not too far-fetched to suggest that the well-intentioned Newton Minow of today may find himself establishing administrative machinery usable by a Joseph Goebbels in the future.

We have already seen the government postal monopoly used to deny the use of the mails for literature deemed "subversive" or "obscene" by the authorities. If bureaucratic yahoos are ever allowed to ban the novels of D. H. Lawrence again, I suspect that there will be no limit to postal censorship. Another extension of the postal power to limit dissent is illustrated by the recent successful attempt to deny postal meter privileges to a company which printed Mr. Robert Welch's slogan "This is a Republic, not a Democracy" on its metered envelopes. Regardless of what we may think of this epigram of the Birch Society, it would be salutary if the postmen would stick to delivering the mail and cease reading it.

The power of the Federal Government over passports and visas has also been used to limit speech and access to information for political reasons. When the Young Americans for Freedom invited President Moise Tshombe of Katanga Province to address their rally in New York City last March, the State Department refused to grant a visa to the Congolese leader because to do so would not be in the "best interests" of American policy in central Africa. Under our laws, the denial of a visa may not be appealed to the courts. Presumably, Mr. Tshombe has a point of view on the late United Nations invasion of his province. It is unlikely that one can make a seriously intelligent decision on so complex a problem as the Congo crisis unless he is allowed to hear all relevant points of

---

[6] Statement by Benjamin McKelway, editor, *The Washington Star*.

[7] These agencies are the Peace Corps, Office of Emergency Planning, Agency for International Development, President's Foreign Intelligence Advisory Board, United States Arms Control and Disarmament Agency, and the Federal Maritime Commission.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

view. The denial of the visa to Tshombe implies that assent to official policy is the only acceptable position — truly a negation of the civil liberties view of the desirability of independently derived opinion.

The use of government power, in the name of welfare, to limit effective opinion and dissent is further illustrated by our labor laws. Under this legislation, a worker may be compelled to join a union in order to keep his job, once a union contract has been signed. Not only must the dissenting employee join this supposedly voluntary organization, thereby denying him the basic liberty of association, but he must contribute monies to the union which are spent in support of candidates for public office which he may not approve. Thus the dissenter is put in the anomalous position of enhancing the very opinions with which he does not agree: as in old England, even the atheist must pay for the Church.

IN ADDITION TO direct government interferences with dissent and access to information, there has been a tendency to use the taxing and spending powers to influence thought and speech. The vast increase in government contracts, for example, has created a demand that such contracts be conditioned upon the institution of "acceptable" hiring policies by the private contractor. The problems of racial discrimination are more fully discussed below; however, I suspect that public statements by the contractor might also become an important factor governing eligibility for Federal funds.

The government's power to give leads to its power to take away. Tax exemptions, which are pretty much left to the discretion of Congress, may become extremely valuable tools for subverting civil liberties. Already, one company has felt the censorial powers of the Internal Revenue Service, which has denied a tax deduction to the Timken Roller Bearing Company for certain advertisements it ran in the years 1951 to 1954. These were "institutional" ads which published various messages that Timken thought were in the public interest and likely to engage the good will of the public. Needless to say, they espoused the conservative position. If the taxing authorities can pick and choose the policy-oriented advertisements for which they will allow a deduction, a most valuable method of free communication may be selectively denied. The same argument applies to tax-exempt foundations: to the extent that we give the Commissioner the discretion to grant or deny such exemptions, we allow the government to enhance "acceptable" ideology at public expense.

A highly important area where the Liberals would like to extend Federal power is in the field of education. The question of Federal aid to education has been debated at great length over the past few years and little can be added to this controversy. The conservatives warned that Federal control would follow Federal aid: the Liberals disputed this contention. Then the National Defense Education Act was passed, along with over a dozen Federal controls, including the famous loyalty oath and disclaimer affidavit provisions. It should not be surprising that political strings were attached to the financial grants under the Act; if the advocates of "progressive" education or Admiral Rickover have their way, we will soon see a national curriculum established as well. What could be a more perfect weapon for thought control than a centrally determined curriculum for our schools?

Government assistance to the arts is a final instance I will cite of the danger that welfare enactments can infringe upon our access to knowledge and dissenting opinion. An excellent presentation of "The Case Against Government Aid to the Arts" appeared in the March 25, 1962 edition of the *New York Times Magazine*, by Russell Lynes, managing editor of *Harper's*. Mr. Lynes emphasizes the danger that mediocrity may prevail and the controversial or experimental arts may suffer if we permit a "marriage between the fine arts and the Government." After citing the objections of several Congressmen to the art exhibits sponsored by our State Department, Mr. Lynes notes that

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

> There is no way for the arts to get Federal subsidies without accountability to the people for how the money is spent. This means, of course, that those who administer the subsidies first must decide what is art and what is not art, and they will have to draw the line between the "popular" arts and the "serious" arts, a distinction that is increasingly difficult to define. . . . Having decided what is serious, it will follow that those who dispense the funds will also decide what is safe . . . [and] able to be defended with reasonable equanimity before a Congressional committee.

Enough has been recited of Mr. Lynes' article to convince us that Robert Benchley was almost clairvoyant when he predicted that political assistance to the arts might lead to such campaign slogans as "Vote for John A. Ossip! He kept us out of post-impressionism!" and "Down with the nude in art! Vote for Horace W. Pickerell and the sanctity of the home!"[8]

Beyond the limitations and coercions by which welfarism and the extension of government activity adversely affects our liberties of access to information and communication of dissenting ideas, there exists in the welfare state "a network of small and complicated rules, minute and uniform,"[9] which tend to stifle freedom of association and limit the privacy of the individual. What once had been deemed matters for private decision have become public questions: the once-voluntary relations of men are now subjected to state regulation. Just as the President may now compel an eighty day postponement of a strike by a labor union, there have been suggestions, following the proposed rise in steel prices, that the Chief Executive be granted the power to set the price for important goods when it is deemed in the public interest to do so.

We learned a lot about government power during President Kennedy's crusade against the steel industry. The Chief Executive summoned an enormous host of coercive weapons against Messrs. Blough and company: he harangued the steel executives on all the mass communications media in the country; he threatened to withhold defense contracts from the recalcitrant companies; his brother had the F.B.I. wake up newspapermen at three o'clock in the morning; and, to top it off, the President publicly accused Mr. Blough of *treason*. The crime of the steel companies was, of course, their desire to set their own prices on their own products.

Private decision making would be further limited under a recommendation by former Secretary of Labor Goldberg, that the Federal Government should participate in collective bargaining disputes and "provide guidelines to the parties" that would "insure 'right settlements' that take into account the public interest [as "asserted and defined" by the government] as well as the interests of the parties."[10]

IN A SIMILAR VEIN as these interferences are the host of recent statutes which attempt to enforce a public policy on *private* race relations. Originally, Southern states enacted legislation which prohibited inter-racial private housing, private schools, and private accommodations. There is little doubt that such interferences restrict the liberty of the citizen to buy, sell, and associate with whom he pleases. Now, under Liberal sponsorship, many Northern states have passed laws prohibiting racially restrictive private housing, private employment, and private accommodations and restaurants. It is difficult to see any essential difference between these statutes and the Southern ones: both speak in the name of a "public policy"; both are justified in terms of the welfare of the community; and both equally restrict the liberties of the citizen.

In an attempt to eradicate the blight of racial prejudice, created in part by laws which required such prejudice in private relations, the Liberals have

---

[8] Quoted from "Art in Politics," by Robert Benchley, *Vanity Fair*, March, 1919.

[9] Alexis de Tocqueville, *Democracy in America*, (New York: Vintage, 1956), vol. II, p. 337.

[10] *The New York Times*, February 28, 1962, pp. 1, 10.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

merely substituted a new form of invasion of private rights. In the past, the Federal Housing Administration *required* racially restrictive covenants in all FHA-insured mortgages; today, an individual may not enforce such a covenant even if he has voluntarily agreed to it. The problem of racial discrimination in our private relations is indeed a serious one in this country, and there are many private and voluntary movements currently attempting to correct the situation. But, serious as the race problem may be, I submit that the personal liberty of the individual to associate or not to associate with whomever he chooses, for whatever reasons, rational or irrational, is too great a freedom to be sacrificed even in the name of "civil rights." "The chief danger today is that, once an aim of government is accepted as legitimate, it is then assumed that even means contrary to the principles of freedom may be legitimately employed."[11]

The classic instance of Tocqueville's "network of small complicated rules" in the United States today is in the field of agriculture. No American may grow cotton, sugar beets, tobacco or wheat without an acreage allotment from the Government. This is true even if the farmer wishes to consume the crops himself.[12] Fines are levied on farmers who grow more than their Federal quota. Moreover, the program enunciated by Secretary of Agriculture Freeman would add jail sentences to these fines, and would also provide for prison sentences for dairy farmers who keep inadequate records. It is restrictions like these which persuaded Michigan farmer Stanley Yankus to remove his family to Australia, after the Government had told him how much wheat he could grow on his own land to feed to his own chickens.[13]

The tragedy of extending government power, in the name of social welfare, is not only what it does to the liberty of the citizen, but also the way in which it makes the bureaucrat indifferent or even callous to the deprivations and hardships inflicted on individuals. Two examples of this will suffice. The first concerns the administration of Social Security, surely the sacred cow of the welfare state. Under the law, F. I. C. A. payments are compulsory taxes, not voluntary insurance premiums. This fact was not evident to an Amish farmer in Pennsylvania named Byler, whose religion prohibits him from accepting government old-age assistance. Byler was not aware of the paternal nature of welfare legislation: since he did not intend to accept the benefits therefrom, he never paid any social security premiums. The beneficent Internal Revenue Service finally caught up with him last year, demanded all back payments with interest, and finally levied on his workhorse (he has no tractor) and sold it to make up the deficiency. As a result of a program aimed at easing the financial woes of retirement, farmer Byler has been deprived of his only means of sustenance. Since he will not accept government hand-outs, he has been made a charge on his family and denied his source of livelihood.

Even more blase in his callousness than the Tax Commissioner is our ubiquitous Interior Secretary, Stewart Udall. Secretary Udall was searching for land to condemn in Kansas last November, when he spied the ranch of one Carl Bellinger from his helicopter. The Secretary simply alighted on Bellinger's land and began to explore it, at which point Bellinger informed him that he was trespassing and would he please get off the land. Secretary Udall later commented: "It's too bad that when a member of the President's Cabinet tries to take a walk on a hill he is told to get off, but the National Park will remedy that!"[14]

It is always possible to "remedy" the exercise of individual liberty through the use of government and its coercive powers. The dangers to freedom which I have tried to illustrate were all established by what Mr. Justice Brandeis

---

[11] F. A. Hayek, *op. cit.*, p. 260.

[12] See *Wickard v. Filburn*, 317 U. S. 111 (1942).

[13] *The Freeman*, April, 1962, p. 34.

[14] Quoted in *National Review*, December 16, 1961, p. 401.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

called "men of zeal, well meaning but without understanding." An understanding of the threat to liberty resulting from the abandonment of the idea of limited government is absolutely necessary if we are to maintain the existence of the autonomous individual as more than a mere legal fiction. I can think of no more eloquent description of the depressing effects of welfarism on liberty than the comments of Alexis de Tocqueville in a chapter appropriately titled, "What Sort of Despotism Democratic Nations Have to Fear," from his *Democracy in America*:

> Above this race of men stands an immense and tutelary power, which takes upon itself alone to secure their gratifications and to watch over their fate. That power is absolute, minute, regular, provident, and mild. It would be like the authority of a parent if, like that authority, its object was to prepare men for manhood; but it seeks, on the contrary, to keep them in perpetual childhood . . . it provides for their security, foresees and supplies their necessities, facilitates their pleasures, manages their principal concerns, directs their industry, regulates the descent of property, and subdivides their inheritances: what remains, but to spare them all the care of thinking and all the trouble of living?
>
> Thus it every day renders the exercise of the free agency of man less useful and less frequent; it circumscribes the will within a narrower range and gradually robs a man of all the uses of himself. The principle of equality has prepared men for these things; it has predisposed men to endure them and often to look on them as benefits.
>
> After having thus successively taken each member of the community in its powerful grasp and fashioned him at will, the supreme power then extends its arm over the whole community. It covers the surface of society with a network of small complicated rules, minute and uniform, through which the most original minds and the most energetic characters cannot penetrate, to rise above the crowd. The will of man is not shattered, but softened, bent, and guided; men are seldom forced by it to act, but they are constantly restrained from acting. Such a power does not destroy, but it prevents existence; it does not tyrannize, but it compresses, enervates, extinguishes, and stupefies a people, till each nation is reduced to nothing better than a flock of timid and industrious animals, of which the government is the shepherd.[15]

Although written in the 1830's, de Tocqueville's prognostication of the American dilemma becomes more and more accurate with the years. The extension of government and the idea of welfarism often compel a choice between liberty and equality. We must recognize that these goals are not synonymous, that we may lose our liberties in the search for a chimera of equality.

---

[15] Alexis de Tocqueville, *op. cit.*, vol. II, pp. 336, 337.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

New Conservatives and Old Liberals

BENJAMIN A. ROGGE

AS MANY OF my readers may know, a college dean is not paid to think — or, at least, to think about matters extraneous to the operation of his college. For him even to continue an interest in his old pre-deaning discipline is thought by many to be evidence of a frivolous approach to administration. In line with this tradition, I have limited myself in recent years to one non-dean-type thought at a time, and I can never predict what that thought will be at a given moment. When I came to jotting down some notes for this essay, I found myself bemused by the new conservatism; thus, I had no choice but to take it as my topic.

This choice makes some sense in that I am considered to be a conservative by that embarrassingly small number of people who have thought me worth classifying. Also, there is much talk and writing these days about the new conservatism or the "revival of conservatism," or, as some would put it, the "recrudescence of conservatism."

So as to remove any element of suspense from this presentation, let me say immediately that, from the vantage point of *my* particular brand of conservatism, much of the new conservatism is a hindrance rather than an aid to the cause. Or, to put it differently, with some of these people as my friends, I don't need any enemies.

It should be obvious to you now that we are about to play a game of semantics. What is a "conservative"? What is a "liberal"? There is the story of three famous umpires discussing the calling of balls and strikes. The first one says, "I calls them as I sees 'em." The second one says, "I calls them as they *are*." The third one, and my hero, says, "They ain't nothin' 'til I calls 'em!"

I'm going to play the role of the third umpire and begin by saying that, of course, I am not properly identified when I am called a conservative. Rather, I am a classical (or, if you prefer, a primitive) liberal. The distinguishing characteristics of a classical liberal are: (1) a deep and abiding distrust of government, and (2) a belief that each individual should be free to do and believe and say anything he wishes so long as he is not using force or fraud against some other individual. The political philosophy that follows from these beliefs is one that limits the government to the night-watchman's role, to preventing one individual from using force or fraud against another. The economic philosophy is basically that of *laissez-faire*. My intellectual mentors would be such men as Adam Smith, David Ricardo, the early John Stuart Mill, Frederick Bastiat, de Tocqueville, Lord Acton and, among the moderns, Frank Knight and F. A. Hayek.

Benjamin A. Rogge, Dean of Wabash College, is co-author of the college textbook *Introduction to Economics* and is a contributor to professional journals.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

IF THIS BE TRUE LIBERALISM, what then is true conservatism? The distinguishing characteristics of true conservatism are: (1) a deep mistrust of human reason, and (2) a belief that order and continuity are of paramount importance in nurturing and preserving the humane and civilized virtues of human beings in society. The true conservative sees society as always threatened by a return to barbarism, with the only effective restraints on brute man being those of religion, custom, recognition of an aristocracy of birth, etc. Thus an Edmund Burke sees in a French Revolution, not the coming of the new and enlightened Jerusalem, but a break in the pattern of society so violent that only barbarism or tyranny can result from it. Personally, I think it clear that Burke was right, and, in fact, I find much with which I can sympathize in this, the true, conservatism. Modern representatives of this point of view are such men as Peter Viereck and Russell Kirk.

316

However, it is not this kind of sophisticated and philosophical conservatism that is being revived. Nor can I ever forget that over the centuries, in actual operation this true conservative philosophy has brought man, not freedom, but bondage. The prototype of the unfree man has been the one living in a tyranny, supported by religion, administered by an hereditary monarch, and made impotent by the dead-weight of custom. The ancient kingdom of Sparta, a truly conservative state, finally defeated Athens, but it is not a society I would care to see reborn. I realize that that the true conservative would say that Sparta was conservatism exaggerated and made rigid, but this seems often to be the end of true conservatism in practice.

However, as I said before, the new conservatism is not the true conservatism. What then is it? It is, in fact, an odd mixture of many conflicting elements. It is, for example, a Robert Welch and a John Birch Society. A Robert Welch would give man his freedom in economic life, as I would. But he would not give man freedom to preach the end of freedom, e.g., to preach Communism, and I would. I do not know Mr. Welch but I do know a number of the members of his society. They are serious, sincere people, who see this nation facing a crafty and terrible enemy, in fact, so crafty that he is able to enlist the conscious or unwitting support of many of our own people. National survival then depends on exposing and defeating this enemy wherever he might be found. I say these people are serious and sincere, but so were the Athenians who sentenced Socrates to death for subverting the youth of the city. So were the men who devised the Spanish Inquisition; so was Martin Luther when he advised the ruler of a German province to shoot down like dogs the German peasants who threatened the stability of the society; so was John Knox, the father of the Presbyterian Church, when he urged that all Catholics in Scotland be put to death; so were the people who gave trouble to my German-born grandfather in World War I, in spite of the fact that he had a son fighting in the AEF; so were the Americans who ordered imprisonment for thousands of Japanese-Americans in World War II. So are they always who, in fright, hope to solve their problems by hunting out the "bad" guys, and eliminating them.

Let us remember now the spirit of David Ricardo, the great classical economist of the early 19th century, who, born a Jew, turned Quaker, yet spent part of his personal fortune to end legal discrimination against Catholics in Great Britain, and in Parliament defended a book-seller who had been imprisoned for selling the free thought works of Tom Paine. Freedom of belief and advocacy means exactly that — and for Communist and John Bircher alike.

A second much-talked-about element in the new conservatism is campus conservatism, or the phenomenal growth of conservative clubs on college and university campuses. There is much in this that I can find interesting and attractive, but much that I find disturbing as well. Many of the young men and women seem to be concerned with the central issues of the individual vs. the state. But many others seem to be only self-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

importantly and noisily anti-communist. They seem to see their tasks as those of identifying and exposing the left-wingers on the faculty and protecting the House Committee on Un-American Activities. The super-patriot is never a true friend of individual liberty, nor is he who would advance the cause of liberty by restricting the freedoms of all those who disagree with him.

I MUST CONFESS that I can never be very optimistic about the contribution to the cause of freedom of college-age youth. Classical liberalism is essentially an end-of-innocence philosophy. It requires accepting the imperfect nature of man and hence the imperfect nature of all human constructs. It sadly, but firmly, insists that the New Jerusalem is never to be realized. It denies that man can consciously and deliberately plan himself into the good life and the good world. It places its restricted faith in the unpredictable and unplanned consequences of the individual decisions of free men and women.

This is a philosophy of the mature human being. It has little real appeal to the confident, hyper-critical mind of the young person. It is the young who believe in the possibility of a heaven on earth brought into being by the conscious exercise of their mighty power of reason — and who are prepared to sweep aside those whose feeble minds or weak wills make them an obstacle to the cause. It is later in life, if ever, that a man reconciles himself to living in an imperfect world in which imperfect people make imperfect decisions — and is willing to let them do so, so long as they do not infringe on his freedom and the freedom of others. In sum, while I am encouraged by the increasing interest of college students in the cause of individual freedom, I must confess that I think much of this interest is about as well-grounded in philosophic commitment as their interest in panty raids and school spirit. If freedom survives in the decades ahead, it will be because age and not youth has had its way.

A third element in the new conservatism is reflected in a group of senators, but particularly Representatives in Congress, who belligerently identify themselves as conservatives. Some of these men I find very attractive and indeed some of them seem to be consistent classical liberals. But most of them prove their conservatism by (1) urging the United States to use its military might to crush Communism, (2) supporting all restrictive measures against domestic Communism and fellow-travelers, (3) vigorously upholding the rights of the individual states to deny Negroes equality before the law, and (4) always supporting the "business" interest, whether it be by tariffs, right-to-work laws, fair trade acts, special tax treatment or what have you. In none of this do I find any evidence of a true commitment to the principle of freedom and its corollary, the rule of law.

I am no more attracted by government intervention in economic life to give special treatment to business groups than I am to the anti-business interventions supported by the modern liberal. This brings me at last to the other side, the belligerent non-conservatives, the authors of the New Frontier, the Fair Deal, the New Deal — and Modern Republicanism. If I don't like my fellow conservatives, why don't I ally myself with those who are called liberals today?

THE ANSWER IS that these people are no more truly liberal than my conservative friends. Admittedly, they usually come down on the right (or freedom) side of the fence when the issue relates to freedom of speech or of press or of belief — although some of them are inconsistent even here. But they have absolutely no commitment to economic freedom—nor any recognition of its relationship to all other freedoms. They are the would-be philosopher-kings who are going to protect, guide, manipulate, subsidize and control those who are less blessed with wisdom than they. They are the legal Robin Hoods, who in never-ending gallantry, are going to use the

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

coercive power of the state to take from one man and give to another. They are the planners of great plans, whereby this country is going to achieve an annual growth rate of 6.12 per cent, and all the underdeveloped countries of the world are to be brought quickly into the modern world. Their point of view is magnificently represented by Mr. Minow of the Federal Communications Commission, whose complaint against the television industry is that it is giving the viewers what they (the viewers) want. Under this philosophy, workers and farmers are forced by law to do that for which businessmen are sent to jail. Under this philosophy, the blindfolded Goddess of Justice has been permitted — nay encouraged — to peek, and she now says with the jurists of the ancient regime, "First tell me *who* you are and then I'll tell you what your rights are."

No, there is no commitment to freedom in this philosophy, nor is there any of that fear of the state, of government, upon which any philosophy of freedom must be grounded.

What then is left for a classical liberal? With which side is he to ally himself — the conservative or the modern liberal? In answer and in closing I would like to describe one of my favorite cartoons from *The New Yorker*. In the picture, a mother is feeding a vegetable to a little girl in a high chair and the little girl is obviously having none of it. In the caption, the mother says, "But dear, it's broccoli"; to which the little girl replies, "I say it's spinach and I say the hell with it."

Whether on the one hand it is called patriotism or true Americanism, or anti-communist, or pro-business, or anti-labor; whether on the other hand it is called humanitarianism, liberalism, the wave of the future, economic democracy, the welfare state, the New Frontier or the New Deal, I say it's spinach and I say the hell with it.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

(The following is reprinted from the front page of the Book Review Supplement of a prominent American metropolitan newspaper, with the kind permission of the original publishers. Due to technical inadequacies, we are not able to reprint the illustration accompanying the review. It was a reproduction of the Picasso mural, "Guernica," set in the middle of the first page, with the caption: "That it might not happen here . . .")

When America Spoke With One Voice

Fascism in Retreat, by Harold Forstman (New York, 1966). 278 pp. $4.95.

Reviewed by Wesley Mouchner

THROUGH THE AGES, commentators on the human scene have sadly observed that men find it difficult, if not impossible, to learn from experience. (Santayana added that those who refuse to learn from history are condemned to repeat its errors.) A glorious exception to this rule, however, occurred two years ago, appropriately enough in the United States (a nation whose whole history demonstrates that its only deeply-rooted tradition has been the tendency to break with all tradition). At that time, society, recalling the way in which the Nazi Party had gained control of a powerful nation and used it to further its own diabolical schemes, decided that it would simply not be permitted to happen here. It is this episode which Mr. Forstman has set himself to chronicle, with the meticulous scholarship and engaging prose style which are his trademark.

Fascism in Retreat concerns, of course, the Great Sedition Trial of the three young would-be Hitlers, arrested, tried and executed in New York, in 1964. But primarily it deals with the public reaction to this seditious conspiracy, and, in this way, it serves as a vindication of the proud claim of democracy: a pluralistic society, in time of crisis, *is* ready and willing to learn from the evident successes of closed societies—it *can* and *will* summon forth the unanimity which alone insures national survival in the modern world.

Since it is a commonplace that the newspaper headlines of today are virtually obliterated from memory, once they give way to the headlines of tomorrow, it might be well to recapitulate the chief events of the Great Sedition Trial. The facts, briefly, are these:

It was on December 31, 1964, that death came to John Williams, 22, Hugh Marlowe, 21, and Richard Phillips, 17, in the electric chair at Sing Sing Prison. (Polls indicated that the execution, the first to be shown on television, had an audience of 79 million, a record for the industry.) The executions climaxed a series of trials and appeals which had been the focus of world attention. The youths, you may remember, were indicted on January 16, 1964, for plotting a war against society and the United States Government, and conspiring to violate the United Nations Declaration of Human Rights. During the lengthy

Page Thirty-five

Mr. Mouchner, a Professor of Thought and Civilization at Brandeis University, is an authority on the history of ideas, and a frequent contributor to this Book Review Supplement. His most recent book, *Radicalism from Francis of Assisi to Karl Marx*, was reviewed here last week by Harold Forstman.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

trial the prosecution established a well-developed conspiracy of sixteen youths between the ages of 12 and 25, with the long-range purpose of exterminating Catholics, Jews and Masons throughout the country. To implement the conspiracy, they had procured Nazi arm-bands, blank membership cards and records of Hitler speeches. Annotated copies of *Mein Kampf, The Merchant of Venice,* and *Oliver Twist* were found in Williams' room, where the meetings were held.

One of the most encouraging aspects of this whole story is the part played by the American judiciary, which renounced a sterile, and, in any case, impossible, "impartiality," in favor of a forthright and courageous defense of democratic society. By a six-three decision, the Supreme Court refused to grant the appeal of the Fascist leaders. (A motion for the impeachment of the dissenting Justices was introduced in the House by the senior member of the Brooklyn delegation.)

An especially interesting sidelight in connection with the Court's decision was that Justice Clerk, writing for the majority, for the first time in judicial history employed a quantifiable formula, utilizing higher mathematics in order to arrive at a verdict. Thus, he has shown that American law will not permit itself to fall behind in the grand movement aimed at converting jurisprudence into a branch of bio-physics. His formula was an improvement of the rule devised by the Second Circuit in the Dennis case:

$$C_L^* = \frac{i_p \cdot \log_e d^m}{\det [D_{fp}]}$$

[1] **Where:** i_p = intensity of the danger.
$\log_e d^m$ = naperian logarithm of the danger raised to the power of its immediacy.
$\det [D_{fp}]$ = determinant of the matrix of all possible dangers to freedom from prohibition of the act.
C_L^* = constitutionality of the lower court decision.

If the first order partial derivative of C_L^* with respect to i_p exceeds zero, the decision is constitutional; if zero or less, it is unconstitutional, provided of course that $\det [D_{fp}]$ is positive definite.

Since with the aid of a team of mathematicians and cyberneticists from the Massachusetts Institute of Technology and a BUM 70707070 computer, Justice Clerk found the relevant partial derivative to be well in excess of zero, he concluded that there was obviously no constitutional problem.

Justice Hamburger, in a concurring seventy-nine page opinion, which represented an expression of true judicial statesmanship, pointed out that English law had permitted similar proceedings in the past, notably in the reign of Charles I. He demonstrated, by citing his own concurring opinions in previous cases, that the ordered liberty prescribed by the Constitution allowed interference with government action only when our civilized conscience was shocked, and he further pointed out that he wasn't shocked at all.

Justices Hugo Blank and William O'Doodle both wrote dissenting opinions. Justice O'Doodle noted that, "While this power is now being exercised by a beneficent executive in the best interest of society, it might in the future be used against communists and radicals." One cannot help but sympathize with the Justice's concern. When one remembers the McCarthy era, when irresponsible accusations were hurled even at such liberal organizations as Americans for Demogogic Action, the Conspiracy of Industrial Organizations, OGPU and SMERSH, one realizes that the safeguards of freedom for progressive groups cannot be too firmly maintained. Nevertheless, when such liberty is extended to ultra-rightist groups, it seems difficult to avoid the conclusion that it has become a thin veil for license.

THE ACLU EXTENDED help to the defendants. In the aftermath of this action, however, approximately one-third of its membership, including a preponderance in the New York area, switched to a rival civil liberties group, which had, in a unanimous resolution, upheld the decision of the Supreme Court for what it was, "a great landmark in the

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

glorious struggle to protect the legitimate rights of minorities." The Special Committee to Protect the Feelings of Minorities (SCPFM), composed of New York and Washington civil liberties lawyers, proclaimed that, "Any rational definition of freedom must include the freedom of the members of society to not be subjected to the views of anti-social and racist elements. Racist views are clearly in a different category from views against a class (which are, of course, deserving of protection), for the latter views can be supported by rational arguments." Meanwhile, liberal students at Berkeley and the University of Chicago postponed protest demonstrations against the flight of refugees from Cuba and East Germany, in order to express their approval of the Court's action.

The larger perspective of history was opened up on the Conspiracy by William L. Shyster, the noted journalist and historian. After much research, he uncovered and published the fact that three of the sixteen young men involved in the case were of German descent, demonstrating the absolute incorrigibility and congenital degeneration of this race. "The totalitarian mentality of the Germans is an old story," he declared in an article published in a prominent popular magazine, and later beamed to West Germany by the Voice of America. "It began with Luther and Bach, was carried on by Hegel, Nietzsche, and the mad monster, Franz Schubert, and culminated in the perfect expression of the 'German soul': Hitler and Himmler." When it was pointed out to Mr. Shyster that, of the three youths, two were descended from ancestors who had left Germany after having participated in the unsuccessful Revolutions of 1848, he remarked that this "merely shows the hypocrisy of those people." To the further observation that there were also in the group two Swedes, four Scotch-Irish and three Armenians, he retorted with his customary humor and verve: "Try to sell *that* to the Book-of-the-Month Club!"

One of the most surprising outcomes of the Trial was the manner in which certain groups, especially those on the Responsible Right, sided with the majority consensus, and thereby, for the first time, entered the Dialogue. (Certain isolated individuals, like extreme civil libertarian lawyers, left the Dialogue in the course of this episode. Others, such as nihilistic libertarians of the Manchester variety, the Austrian-type economists etc., were, naturally, never within the Dialogue.) The organizational manifestation of this new turn of events was the liaison meeting between the Anti-Fascist Committee of the Americans for Demogogic Action, and the newly formed League to Protect Virtue, headed by Helbent Moselle and Wantmore Kindling (the famed authority on subversion and the disposal of heretics). The joint statements that were issued by these groups indicate that, although there were still certain differences in regard to substantive matters, surprisingly little disagreement existed as to form. Both groups agreed that while freedom in the abstract might be desirable,[2] any doctrinaire absolutism on this issue would lead to the breakdown of the consensual framework without which social life is impossible. Abridgments of freedom in the abstract are indispensible, in order to protect freedom in the concrete. One of the practical consequences of this agreement was rather interesting, as an example of the spirit of give-and-take which must govern the actions even of ideological antagonists in a democratic society. In return for a brilliant editorial in the nation's leading conservative journal, which castigated the supporters of acquittal for the Fascists for being guilty of no less than eleven Christian heresies, the liberal organization agreed that, in the media of mass communication which it controlled, the term "responsible right" would be used three times for every one reference to the "ultra-right."

As the distinguished columnist, Marx Larner, pointed out at the time, however, the rightest intellectuals still appeared wedded to certain of their former incon-

[2] Mr. Moselle had waged an unsuccessful fight to have the statement read, "might or *might not be* . . ."

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

sistencies. In particular, they were guilty of the time-worn fallacy that persecution of Communists is as justified as persecution of fascists! While applauding the new amalgamation, Larner went on to warn that, "Such reactionaries are, unfortunately, still unable to recognize the essential difference between fascism and communism, just as they cannot see the difference *in kind* between, on the one hand, the mad-dog mass murders of the Nazis, and, on the other hand, the —admittedly *regrettable* and *inexcusable* —elimination of millions of *kulaks* under the pressure of economic necessity."

WHILE THE CONSENSUS in favor of the convictions was well-nigh unanimous as concerns each and every respectable group in the nation, there were, of course, certain scattered lunatic fringe elements which were shrill in their frenzied opposition. The tiny Society of Christian Soldiers, for instance, announced that the executions (which they claimed had been engineered by the Council on Foreign Relations) were symbolic re-enactments of the Crucifixion, designed to return us to the era before Christ. The chief journalist among the unreconstructed Roosevelt-haters proclaimed in his column that the conviction "marks the complete triumph of Warren, Myrdal, Stalin and Freud. They are now able to destroy physically, as well as economically, the best of the native patriotic forces which offer hope of salvation from alien cosmopolitan enslavement." On a self-consciously more "sophisticated" plane, the handful of allies which these hate-peddlers have at various universities worked the tired old cliche' about "rule of law" into the ground. And so on, *ad nauseam.* It should be obvious that there was nothing either new or correct in the reactions of these few persons. They are the same ones who have opposed TVA, Social Security and the dismantling of American industry for shipment to India. In perusing their polemical outbursts, one cannot help agreeing with modern psychology, sociology and astrology, which have all conclusively proven that mental imbalance and latent social status tensions are at the base of such extreme right-wing positions.

This then is the story Mr. Forstman tells in his new book. He tells it with compassion, humor and philosophical detachment, e.g.: "No one will ever convince the American people that such Fascist scum have a right to life." It remains only to sum up the more long-range significance of the episode of which Mr. Forstman has shown himself the able historian.

I would say that its greatest significance is this: another victory was won in a great age-old battle. The contenders have changed in each generation: Galileo against the Inquisition; Milton against a government which claimed the right to license presses; Voltaire, Zola and the American Establishment in their defenses of Jean Callas, Alfred Dreyfus and Alger Hiss, respectively. And I insist that the Great Sedition Trial represented a victory *in this very struggle.* It might appear superficially that what was at stake in these contests were some metaphysical dogmas, "freedom" of speech and belief, or protection of certain individuals and minorities against the arbitrary power of the rest of Society (as if any individual or group could exist *outside* of Society!). But in fact the real issue has always been *reform* or *reaction,* or, as it used to be put in my student days, in the Thirties (before the present-day intellectual sterility and political apathy set in), "the Revolution *vs.* the Counter-Revolution." The Sedition Trial, and the magnificent way in which the American people responded to its challenge, prove again that the great American promise, as exemplified in Jefferson, Lincoln, the Knights of Labor, and Chester Bowles, can survive and flourish in the modern world.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

A New Treatise on Economics[1]

LUDWIG VON MISES

MOST OF WHAT goes today under the label of the social sciences is poorly disguised apologetics for the policies of governments. What Santayana once said about a teacher of philosophy of the—then Royal Prussian—University of Berlin, that it seemed to this man "that a professor's business was to trudge along a governmental towpath with a legal cargo," is today everywhere true for the majority of those appointed to teach economics. As these doctors see it, all the evils that plague mankind are caused by the acquisitiveness of greedy exploiters, speculators and monopolists, who are supreme in the conduct of affairs in the market economy. It is the foremost task of good government to curb these scoundrels by suppressing their "economic freedom" and subjecting all affairs to the decisions of the central authority. Full government control of everybody's activities—whether called planning, socialism, communism, or any other name—is praised as the panacea.

To make these ideas plausible one had to proscribe as orthodox, classical, neoclassical and reactionary all that economics had brought forward before the emergence of the New Deal, the Fair Deal and the New Frontier. Any acquaintance with pre-Keynesian economics is considered as rather unsuitable and unseemly for an up-to-date economist. It could easily raise in his mind some critical thoughts. It could encourage him to reflect instead of meekly endorsing the empty slogans of governments and powerful pressure groups. There is, in fact, in the writings and teaching of those who nowadays call themselves economists no longer any comprehension of the operation of the economic system as such. These books and articles do not describe, analyze or explain the economic phenomena. They do not pay attention to the interdependence and mutuality of the various individuals' and groups' activities. In their view, there exist different economic spheres that have to be treated as by and large isolated domains. They dissolve economics in a number of special fields, such as economics of labor, of agriculture, of insurance, of foreign trade, of domestic trade and so on. They deal, e.g., with the height of wage rates as if it were possible to treat this subject independently of the problems of commodity prices, interest, profit and loss, and all the other issues of economics. They assemble, without any idea for what purpose they are doing it, a vast array of statistical and

---

Ludwig von Mises is currently a Professor at the Graduate School of Business at New York University. His many books include *Human Action, Socialism, The Anti-Capitalistic Mentality,* and most recently, *The Free and Prosperous Commonwealth.*

[1] A review of *Man, Economy and State,* Murray N. Rothbard (Princeton, New Jersey: Van Nostrand, 1962), 2 vols., 987 pp. $20.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

other historical data about the recent past which they choose to style the "present." They entirely fail to comprehend the interconnectedness and mutual determination of the actions of the various individuals whose behavior results in the emergence of the market economy.

The economic writings of the last decades provide a pitiful story of progressing deterioration and degradation. Even a comparison of the recent publications of many older authors with their previous writings shows an advancing decline. The few, very few, good contributions that came out in our age were smeared as old-fashioned and reactionary by the government economists, boycotted by the universities, the academic magazines and the newspapers and ignored by the public.

LET US HOPE that the fate of Murray N. Rothbard's book *Man, Economy and State* will be different. Dr. Rothbard is already well known as the author of several excellent monographs. Now he joins the ranks of the eminent economists by publishing, as the result of many years of sagacious and discerning meditation, a voluminous work, a systematic treatise on economics.

The main virtue of this book is that it is a comprehensive and methodical analysis of all activities commonly called economic. It looks upon these activities as human action, i.e., as conscious striving after chosen ends by resorting to appropriate means. This cognition exposes the fateful errors of the mathematical treatment of economic problems. The mathematical economist attempts to ignore the difference between the physical phenomena in the emergence and consummation of which man is unable to see the operation of any final causes, and which can be studied scientifically only because in their concatenation and succession there prevails a perceptible regularity on the one hand, and, on the other, the praxeological phenomena that lack such a regularity but are conceivable to the human mind as purposeful aiming at definite ends chosen. Mathematical equations, says Rothbard, are appropriate and useful where there are constant quantitative relations among *unmotivated* variables, they are inappropriate in the field of conscious behavior. In a few brilliant lines he demolishes the main device of mathematical economists, viz., the fallacious idea of substituting the concepts of mutual determination and equilibrium for the allegedly outdated concept of cause and effect. And he shows that the concepts of equilibrium and the evenly rotating economy do not refer to reality, but are, although indispensable for any economic inquiry, merely auxiliary mental tools to aid us in the analysis of real action. The equations of physics describe a process through time, while those of economics do not describe at all a process, but merely the final equilibrium point, a hypothetical situation that is outside of time and will never be reached in reality. Furthermore, they cannot say anything about the path by which the economy moves in the direction of the final equilibrium position. As there are no constant relations between any of the elements which the science of action studies, there is no measurement possible and all numerical data available have merely a historical character; they belong to economic history and not to economics as such. The positivist slogan, "science is measurement," in no way refers to the sciences of human action; the claims of "econometrics" are vain.

In every chapter of his treatise, Dr. Rothbard, adopting the best of the teachings of his predecessors, and adding to them highly important observations, not only develops the correct theory but is no less anxious to refute all objections ever raised against these doctrines. He exposes the fallacies and contradictions of the popular interpretation of economic affairs. Thus, for instance, in dealing with the problem of unemployment he points out: in the whole modern and Keynesian discussion of this subject the missing link is precisely the wage rate. It is meaningless to talk of unemployment or employment without reference to a wage rate. Whatever supply of labor service is brought to market can be sold,

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

but only if wages are set at whatever rate will clear the market. If a man wishes to be employed, he will be, provided the wage rate is adjusted according to what Rothbard calls his discounted marginal value product, i.e., the present height of the value which the consumers—at the time of the final sale of the product—will ascribe to his contribution to its production. Whenever the job-seeker insists on a higher wage, he will remain unemployed. If people refuse to be employed except at places, in occupations, or at wage rates they would like, then they are likely to be choosing unemployment for substantial periods. The full import of this state of affairs becomes manifest if one gives attention to the fact that, under present conditions, those offering their services on the labor market themselves represent the immense majority of the consumers whose buying or abstention from buying ultimately determines the height of wage rates.

Less successful than his investigations in the fields of general praxeology and of economics are the author's occasional observations concerning the philosophy of law and some problems of the penal code. But disagreement with his opinions concerning these matters cannot prevent me from qualifying Rothbard's work as an epochal contribution to the general science of human action, praxeology, and its practically most important and up-to-now best elaborated part, economics. Henceforth all essential studies in these branches of knowledge will have to take full account of the theories and criticisms expounded by Dr. Rothbard.

THE PUBLICATION of a standard book on economics raises again an important question, viz., for whom are essays of this consequence written, only for specialists, the students of economics, or for all of the people?

To answer this question we have to keep in mind that the citizens in their capacity as voters are called upon to determine ultimately all issues of economic policies. The fact that the masses are ignorant of physics and do not know anything substantial about electricity does not obstruct the endeavors of experts who utilize the teachings of science for the satisfaction of the wants of the consumers. From various points of view one may deplore the intellectual insufficiency and indolence of the multitude. But their ignorance regarding the achievements of the natural sciences does not endanger our spiritual and material welfare.

It is quite different in the field of economics. The fact that the majority of our contemporaries, the masses of semi-barbarians led by the self-styled intellectuals, entirely ignore everything that economics has brought forward, is the main political problem of our age. There is no use in deceiving ourselves. American public opinion rejects the market economy, the capitalistic free enterprise system that provided the nation with the highest standard of living ever attained. Full government control of all activities of the individual is virtually the goal of both national parties. The individual is to be deprived of his moral, political and economic responsibility and autonomy and to be converted into a pawn in the schemes of a supreme authority aiming at a "national" purpose. His "affluence" is to be cut down for the benefit of what is called the "public sector," i.e., the machine operated by the party in power. Hosts of authors, writers and professors are busy denouncing alleged shortcomings of capitalism and exalting the virtues of "planning." Full of a quasi-religious ardor, the immense majority is advocating measures that step by step lead to the methods of administration practiced in Moscow and in Peking.

If we want to avoid the destruction of Western civilization and the relapse into primitive wretchedness, we must change the mentality of our fellow citizens. We must make them realize what they owe to the much vilified "economic freedom," to the system of free enterprise and capitalism. Those who call themselves educated and the intellectuals must use their superior cognitive faculties and power of reasoning for the refutation of

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

erroneous ideas about social, political and economic problems and for the dissemination of a correct grasp of the operation of the market economy. They must start by familiarizing themselves with all the issues involved in order to teach those who are blinded by ignorance and emotions. They must learn in order to acquire the ability to enlighten the misguided many.

It is a fateful error on the part of our most valuable contemporaries to believe that economics can be left to specialists in the same way in which various fields of technology can be safely left to those who have chosen to make any one of them their vocation. The issues of society's economic organization are every citizen's business. To master them to the best of one's ability is the duty of everyone.

Now such a book as that of Rothbard offers to every intelligent man an opportunity to obtain reliable information concerning the great controversies and conflicts of our age. It is certainly not easy reading and asks for the uttermost exertion of one's attention. But there are no short cuts to wisdom.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

A "Fusionist" Approach to Freedom[1]

JOHN WEICHER

FOR A LONG TIME Frank S. Meyer has been seeking a synthesis between the two main streams of contemporary conservative thought: streams which have their sources in the conservatism and liberalism, respectively, of the last century. *In Defense of Freedom* is his most ambitious effort to achieve that synthesis, which is a "combination of freedom and moral authority," or a "simultaneous belief in objectively existing moral value and in the freedom of the individual person." Meyer is not satisfied with asserting that this "combination" is the generally-held view of most American conservatives today; his book attempts to prove that such a combination is theoretically sound. Since a good many books and articles recently—by those both within and without the conservative "movement"—have maintained that such a synthesis is *not* sound, it is good to have someone willing to argue at some length that it *is*.[2]

Meyer's synthesis is that freedom and objectively existing moral value are

> . . . axioms of different though interconnected realms of existence. How can true ends be established elsewhere than in the intellectual, the moral, the spiritual order? Where can the conditions for freedom be established but in . . . the political order? A good society is possible only when both these conditions are met: when the social and political order guarantees a state of affairs in which men can freely choose; and when the intellectual and moral leaders, the "creative minority," have the understanding and imagination to maintain the prestige of tradition and reason, and thus to sustain the intellectual and moral order throughout society.

Of these two conditions, however, only one is to be fulfilled by political means: the establishment of freedom. Deciding which ends are true, is left, by implication, to the creative minority; Meyer says no more about this problem, except that the creative minority cannot impose its decisions by force upon the rest of the population.[3]

This seems to me to be a perfectly acceptable position. Whether it is a synthesis is another question. Most libertarians will probably say that this has been their position all along. As long as no one is compelled by the creative minority to accept the "true ends" as determined by that minority—or is compelled to believe that "true ends" exist at all—where does this good society differ from that of the libertarians? Libertarians are not going to object to anyone

John Weicher is an Associate Editor of *New Individualist Review*.

[1] A review of *In Defense of Freedom*, by Frank S. Meyer. (Chicago: Henry Regnery Co., 1962.)

[2] Two recent publications on the other side are *The Conservative Illusion*, by M. Morton Auerbach, and "Freedom or Virtue?" by L. Brent Bozell, in the September 11, 1962, issue of *National Review*. Bozell's article, though published earlier, often seems to be a reply to Meyer's book.

[3] "Given the most elevated intellectual, moral, and spiritual understanding, the subordination of the political order to the enforcement of that understanding, the denial to men of the freedom to accept it or reject it, would make virtue meaningless and truth rote."

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

else's belief that there are objectively determinable moral values, whether or not the libertarians share that belief, in the absence of any effort to compel agreement.

Before we welcome or condemn Meyer to the ranks of the libertarians, however, there are several points in his book which need clarification. For instance, the only specific discussion of religious freedom occurs in a footnote to a chapter on "The Locus of Virtue," in which Meyer maintains that virtue exists only in individuals and can only be inculcated by individuals, and not by organizations or institutions. That footnote says in part:

> That no civilization can come into being or develop without being informed by one kind or another of relationship between the men who make it up and God, I am certain; that Christianity, which informs Western civilization, is the highest and deepest relationship to the Divine that men can attain, I am also certain; but I am not able to say that any single institutional church is the bearer of God's spirit on earth. And this makes it impossible for me to discuss the church in the terms of this book. At the very least, it is of the category of those institutions which fulfill a function that is necessary, but which can be fulfilled in a number of different ways. If, however, it should be true that a single church is the direct expression of God's love for men, then that church would be, like the state and the family, necessary in its essential form to human existence.

The basic problem in that paragraph is the meaning of "necessary in its essential form to human existence." If a particular church is "necessary," does Meyer's good society permit freedom of religion? He does not say. Or, going back to the beginning of the paragraph, does the good society exclude atheists? After all, no civilization can exist "without being informed by one kind or another of relationship between the men who make it up and God." This question too is unanswered.

Much earlier, it is true, Meyer has said, "freedom can exist at no lesser price than the danger of damnation; and if freedom is indeed the essence of man's being, that which distinguishes him from the beasts, he must be free to choose his worst as well as his best end." This and similar statements appear to imply that the freedom to choose the wrong religion, or none, is included in the good society, and perhaps Meyer means the earlier statements to be applicable to the question of religious freedom. Perhaps he thinks further repetition of the need for freedom would be superfluous in that footnote. However, at the point at which he says, "freedom can exist at no lesser price than the danger of damnation," Meyer has not mentioned religion at all; nor has he discussed the state and the family, the other two institutions which are necessary in their essential form to human existence.

We do not get any help when we turn to his discussions of these other two institutions. In regard to the state, "Some form of order is a human necessity. *Without it, freedom itself is impossible.* The state . . . is therefore an institution called into being by the very nature of men's existence."[4] Meyer has said at the outset of the book that "innate freedom is of the essence of [man's] being." But now freedom is impossible without the state.[5] It is not at all clear where this puts the anarchists. Do they have the right to advocate the abolition of the state? Or does the fact that man cannot realize the essence of his being without a state, mean that those who would prevent him from realizing this essence, are themselves to be prevented? Man must be allowed to choose to be damned, but a state is necessary for him to have the opportunity to make that choice. There are some people—anarchists—who do not believe that a state is necessary. Thus, apparently, they would prevent men from choosing. Can man choose not to have the opportunity to choose salvation or damnation? Once again, the question is not answered.[6] But without some kind of answer to all

[4] Italics mine.

[5] It should be stressed that Meyer's state has the sole functions of supplying justice and national defense.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

these questions, Meyer's synthesis is incomplete.

THERE IS A MORE fundamental problem in Meyer's exposition. The statement quoted above, that "innate freedom is of the essence of [man's] being," is an assumption. In fact, it is more than an assumption; it is the "central axiom on which this critique of political thought is founded." The argument rests on the validity of this axiom. But all Meyer says in support of it is: "No objective methodology, however strict, can disprove the existence of the autonomous self and validate determinism." This statement "rests upon data derived from apprehension of the external world." The only description of these data seems to be that the study of human beings is "a study where we are richly provided with direct knowledge of consciousness."

Much more needs to be said about this axiom. Meyer cites Marx, Freud, and one or two contemporary social scientists who disagree with it, but he does not attempt to refute them; he simply asserts that they are wrong. This axiom, however, is what the argument is really all about. Meyer's critiques of collectivist liberalism and New Conservatism both depend heavily upon it.

Meyer's criticism of New Conservatism is largely a criticism of Russell Kirk. He specifically states that he is *not* criticizing a number of other writers — Leo Strauss, Eric Voegelin, Willmoore Kendall, Richard Weaver, Frederick Wilhelmsen, and a number of European writers — on the ground that they differ from New Conservatism by "the high value they place upon the faculty of reason for the establishing of conservative principles," while the New Conservatives "insist upon the undifferentiated virtue of tradition, not merely as guide and governor of reason, but over against reason." (In addition to the "central axiom," Meyer further "assumes that the primary mode of achieving understanding in the study of man . . . is the use of reason operating within and upon tradition, reason deriving extended conclusions from simple apprehensions of the nature of man.") But Meyer's book is a defense of *freedom*, not reason, and one can cite quotations from several of these writers which would indicate that they do not share his view of the essence of man's being.[7] Meyer seems to have no argument with, e.g., Kendall and Wilhelmsen, as opposed to Kirk, because much of his argument against Kirk is a defense of the second axiom, which he shares with Kendall and Wilhelmsen. But when he argues for a free society against Kirk's stress on "community" or "society," as independent entities separate from the individuals within them, he is arguing on the basis of the "central axiom." Because he says so little about it, we cannot be sure whether Kendall and Wilhelmsen and the others do share it with him. Clarification here would be useful.

I HAVE GIVEN disproportionate emphasis in this review to those parts of Meyer's book with which I disagree, and I do not want to end on a critical note. In large part the book *is* an eloquent defense of freedom, and one which deserves to be widely read. Meyer's critiques of liberalism and New Conservatism are both cogent, and should lead to an interesting and instructive discussion, at least with Kirk and other New Conservatives. As far as his synthesis has been spelled out, I think most American conservatives can support it as the kind of society that they are trying to establish, while they wait for the further development and clarification of Meyer's views, which will be well worth waiting for.

[6] Similarly with the family, into which children are born involuntarily. It is a voluntary contract between individuals. But there is no discussion of whether a man may form such a voluntary contract with two women simultaneously, or whether a member of the creative minority may advocate polygamy, wife-switching on alternate nights, etc. Is the family "necessary" only to the child who is an involuntary member?

[7] See, for instance, "Baloney and Free Speech," by Willmoore Kendall, and " 'My Doxy is Orthodoxy,' " by Frederick Wilhelmsen, both in the May 22, 1962, issue of *National Review*.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

NEW BOOKS AND ARTICLES

THE FOLLOWING IS A SELECT LIST OF BOOKS AND ARTICLES WHICH, IN THE OPINION OF THE EDITORS, MAY BE OF INTEREST TO OUR READERS.

Allen Drury, *A Shade of Difference.* (New York: Doubleday).

M. Stanton Evans, Allan H. Ryskind, William Schutz, *The Fringe on Top.* (New York: American Features, Inc.).

Foundation for Economic Education, *Essays on Liberty, Vol. IX.* (Irvington-on-Hudson: Foundation for Economic Education.

Milton Friedman, *Capitalism and Freedom.* (Chicago: University of Chicago Press).

Elgin Groseclose, *Money and Man.* (New York: Frederich Ungar).

Erik von Kuehnelt-Leddihn, *Democracy Revisited.* (Intercollegiate Society of Individualists pamphlet, 629 Public Ledger Bldg., Philadelphia).

John Lively, *The Social and Political Thought of Alexis de Tocqueville.* (Oxford: Oxford University Press).

John Stuart Mill, *Essays on Politics and Culture*, ed. by Gertrude Himmelfarb. (New York: Doubleday).

Ludwig von Mises, *The Free and Prosperous Commonwealth.* (Princeton: Van Nostrand).

Heinrich Rickert, *Science and History.* (Princeton: Van Nostrand).

Earl E. T. Smith, *The Fourth Floor.* (New York: Random House).

David McCord Wright, *The Keynesian System.* (New York: Fordham University Press).

James Burnham, "Emancipation Proclamation", *National Review,* November 8, 1962.

W. Allen Wallis, "Neo-Mercantilism and the Unmet Social Need-ers", *Modern Age*, Summer, 1962.

George Winder, "The British Nationalized Health Service," *The Freeman,* August, 1962.

New Individualist Review welcomes contributions for publication from its readers. Essays should not exceed 3,000 words, and should be type-written. All manuscripts will receive careful consideration.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

"SOCIALISM is only an idea, not an historical necessity, and ideas are acquired by the human mind. We are not born with ideas, we learn them. If socialism has come to America because it was implanted in the minds of past generations, there is no reason for assuming that the contrary idea cannot be taught to a new generation. What the socialists have done can be undone, if there is a will for it. But, the undoing will not be accomplished by trying to destroy established socialistic institutions. It can be accomplished only by attacking minds, and not the minds of those already hardened by socialistic fixations. Individualism can be revived by implanting the idea in the minds of the coming generations. So then, if those who put a value on the dignity of the individual are up to the task, they have a most challenging opportunity in education before them. It is not an easy job. It requires the kind of industry, intelligence and patience that comes with devotion to an ideal."

—*Frank Chodorov,* Founder and President, Intercollegiate Society of Individualists, Inc.

ISI
Founded 1953

INTERCOLLEGIATE SOCIETY OF INDIVIDUALISTS
For the Advancement of Conservative Thought on the Campus

629 PUBLIC LEDGER BLDG., PHILADELPHIA 6, PA., WAlnut 5-5633
Midwest Office: 505 Lemcke Bldg., Indianapolis 6, Ind., MElrose 9-5551
Western Office: 1436 El Camino Real, Menlo Park, California, 325-4553

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

In Future Issues . . .

NEW INDIVIDUALIST REVIEW will feature articles by young libertarian and conservative writers as well as by such scholars as WILHELM ROEPKE, RICHARD WEAVER, and MURRAY N. ROTHBARD.

To keep up with today's ferment of individualist ideas — subscribe to NEW INDIVIDUALIST REVIEW today.

* * * *

NEW INDIVIDUALIST REVIEW has come a long way since we made the above promise to readers of our first issue, over a year ago. Our circulation has grown steadily with each succeeding issue. Students at campuses across the country have volunteered their time to make NIR available to their colleagues. We have readers in nearly every state and more than a dozen foreign countries. Our original staff of five editors has more than doubled; most of the new members are undergraduates who will ensure that NIR continues after the founders have left school. We are well on the road to permanence.

332

Perhaps as important, NIR has brought libertarian and conservative ideas to a wider readership than its circulation. Articles have been reprinted in the "Wall Street Journal," the "Freeman," "Under Thirty," and other newspapers and magazines. We have been praised by other publications and individuals — the "Chicago Tribune," the "Portland Oregonian," "America," "National Review," the "New Republic," William F. Buckley, Jr., Russell Kirk, and Leonard Read, among them.

Articles have been translated into Spanish and published in Mexico and Venezuela. Professors at several colleges have requested permission to use articles for reading assignments in their courses.

In our first issue, we also said: "The NEW INDIVIDUALIST REVIEW has been founded in a commitment to human liberty. We believe in free, private enterprise, and in the imposition of the strictest limits to the power of government." If you share that belief, we invite you to subscribe to NIR, in order "to keep up with today's ferment of individualist ideas," and to help those ideas reach still more people. If you do not share it, we think you will find NIR stimulating and challenging, and perhaps persuasive.

NEW INDIVIDUALIST REVIEW 7
IDA NOYES HALL
University of Chicago, Chicago 37, Illinois

Please enter my subscription for one year at $2.00 ☐ Students,$1.00 ☐

I also enclose a contribution of $.....

NAME .....

ADDRESS .....

IF STUDENT: SCHOOL.....YEAR OF GRAD.....

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

SELECTED LETTERS OF ALBERT JAY NOCK

Collected and Edited by Francis Jay Nock
With recollections of Albert Jay Nock by Ruth Robinson.

An annotated selection of letters written by Albert Jay Nock to some of the numerous friends and acquaintances of his last forty years. They display the true personality of this great writer, editor, thinker, and student of the world about him. Furthermore, his intellectual development through these years, the years of his creative activity, is here brought out in his own words. There are also recollections of him, written by one of his friends, Ruth Robinson, to whom many of the letters are addressed.
201 pages, cloth bound $4.00

". . . the story of the remaking of a remarkable man. It is one of the truly liberating books of the year . . ."—John Chamberlain in the WALL STREET JOURNAL, New York City.

". . . a rare treat indeed . . . letters sparkle with an uncommon wit and are a delight to read . . ."—NEWS, Chicago, Illinois.

PLEASE SEND FOR FREE CATALOGS
TRADE LIST NO. 105 and LIBERTARIAN CATALOG NO. 106

CAXTON
of
CALDWELL, IDAHO

UNIVERSITY OF Chicago PRESS

Capitalism and Freedom

By Milton Friedman. A leading economist expounds his view of the role of competitive capitalism: a necessary condition for the achievement of both economic and political freedom. "He is unfailingly enlightening, independent, courageous, penetrating, and above all stimulating. His thinking has an effervescent quality that will probably cause the thoughtful reader to re-examine his own position on a score of issues. Friedman is an uncompromising champion of the free market, and one of the most effective defenders of capitalism in America."—HENRY HAZLITT, Economic Columnist, *Newsweek.* $3.95

Through your bookseller, or

UNIVERSITY OF CHICAGO PRESS
Chicago 37, Illinois

IN CANADA: University of Toronto Press

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED